

## FIFTY NINTH LEGISLATURE - REGULAR SESSION

## EIGHTY NINTH DAY

House Chamber, Olympia, Friday, April 8, 2005

The House was called to order at 10:00 a.m. by the Speaker (Representative Hunt presiding). The Clerk called the roll and a quorum was present.

The flag was escorted to the rostrum by a Sergeant at Arms Color Guard, Pages members of the Washington State Patrol and the Olympia Fire Department honor guards. The Speaker (Representative Hunt presiding) led the Chamber in the Pledge of Allegiance. Prayer was offered by Reverend Anthony Irving, St. Benedict's Episcopal Church, Olympia.

Reading of the Journal of the previous day was dispensed with and it was ordered to stand approved.

## RESOLUTION

HOUSE RESOLUTION NO. 2005-4637, By Representatives Simpson, Hankins, Lovick, Sells, Takko, Upthegrove, Hudgins, Murray, Wallace, Morris, Wood, Appleton, B. Sullivan, Kilmer, Curtis, Nixon, Skinner, Woods, Rodne, Shabro, Schindler, Buck, Jarrett and P. Sullivan

- WHEREAS, It is the policy of the House of Representatives to recognize excellence in all fields of endeavor; and

WHEREAS, Mark Noble exhibited true excellence during his 21 years as a Fire Fighter, beginning as a student at the McLane Fire Department and rising to the rank of Captain, and serving several terms as President of the Fire Fighter's Local Union and later with the Olympia Fire Department; and

WHEREAS, Mark Noble was born July 15, 1957, in Larkspur, California, to Helaine and Gerald Noble; and

WHEREAS, Mark Noble was raised in Belvedere, California, and attended The Evergreen State College, where he received his Bachelor of Arts degree in 1978; and

WHEREAS, Mark Noble's death on January 15, 2005, at age 46 was the first Line of Duty Death in the 146-year history of the Olympia Fire Department; and

WHEREAS, Mark Noble exhibited great strength, courage, and humor as he battled work-related brain cancer and allowed his friends and family to share in his journey through his web site "TumorOrLater"; and

WHEREAS, Mark Noble's excellence in serving the public stemmed from his love of the fire service, the challenges he conquered in the work, and the camaraderie of his fellow fire fighters; and

WHEREAS, Mark Noble's passion for woodworking led him to build a remarkable home which became the site for gatherings for his many friends; and

WHEREAS, Mark Noble's excellent black and white landscape photography became treasured gifts for his friends and valued finds for collectors; and

WHEREAS, Mark Noble left a legacy of honor, courage, commitment to family and friendship, service to his community, and devotion to his chosen career;

NOW, THEREFORE, BE IT RESOLVED, That the House of Representatives of the State of Washington honor the

spirit, devotion, and service of Mark Noble and extend its deepest condolences to his sons Luke and Shane, his wife Rebecca, his mother Helaine, his sister Lisa, and his many friends and coworkers; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to his family, the McLane Fire Department, and the Olympia Fire Department.

Representative Simpson moved the adoption of the resolution.

Representatives Simpson and Curtis spoke in favor of the adoption of the resolution.

HOUSE RESOLUTION NO. 4637 was adopted.

## SPEAKER'S PRIVILEGE

The Speaker (Representative Hunt presiding) recognized the family and friends of Mark Noble and asked the Chamber to acknowledge them.

HOUSE RESOLUTION NO. 2005-4638, By Representatives Lovick, Clements, O'Brien, Miloscia, Sells, Hunt, Quall, Ericks, Hankins, Dickerson, Campbell, Wallace, Murray, Skinner, Upthegrove, Wood, Shabro, Schindler, Curtis, Nixon, Kilmer, Takko and Rodne

WHEREAS, Will Bachofner became Chief of the Washington State Patrol when Governor Rossellini appointed him on January 15, 1964; and

WHEREAS, Bachofner was reappointed by new Governor Dan Evans on January 11, 1965; and

WHEREAS, Chief Bachofner retired in 1971 and then served as Executive Secretary of the Washington State Horse Racing Commission; and

WHEREAS, Governor Evans asked Bachofner to come out of retirement to again serve as Chief, and appointed him again on January 11, 1973; and

WHEREAS, Bachofner served as Chief of the Washington State Patrol until his retirement on April 30, 1977, making him the longest-serving Chief in the history of the Washington State Patrol; and

WHEREAS, His career with the Washington State Patrol began on March 14, 1942, as a bridge guard during World War II; and

WHEREAS, Bachofner became a commissioned trooper on November 20, 1943, and was assigned to North Bend; and

WHEREAS, On January 1, 1947, he was promoted to sergeant in Wenatchee, later serving as a sergeant in Yakima and Olympia; and

WHEREAS, On August 19, 1957, he was promoted to Lieutenant in Yakima, then served in Olympia and Seattle before being promoted to captain and district commander in Yakima on December 4, 1961; and

WHEREAS, Under his leadership as Chief, Bachofner reformed the state patrol to open hiring to women and minorities; and

WHEREAS, Chief Bachofner expanded the Washington State Patrol Training Academy in Shelton to make it a comprehensive center and benchmark for law enforcement training; and

WHEREAS, Under his leadership in the 1965 legislative session, he worked with lawmakers to create the special highway safety account, which gave the Washington State Patrol more flexibility by removing the special highway safety account from the general fund; and

WHEREAS, Bachofner and his wife, Ramona, a former newspaper reporter for the Yakima Herald-Republic and The Olympian, were married 60 years;

NOW, THEREFORE, BE IT RESOLVED, That the House of Representatives recognize and honor the distinguished career and contributions of Chief Will Bachofner; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to Chief Will Bachofner.

Representative Lovick moved the adoption of the resolution.

Representatives Lovick and Hankins spoke in favor of the adoption of the resolution.

HOUSE RESOLUTION NO. 4638 was adopted.

#### **SPEAKER'S PRIVILEGE**

The Speaker (Representative Hunt presiding) recognized Will Bachofner, family and friends and asked the Chamber to acknowledge them.

The Speaker assumed the chair.

#### **SIGNED BY THE SPEAKER**

The Speaker signed SUBSTITUTE SENATE BILL NO. 5150.

#### **INTRODUCTION & FIRST READING**

HB 2311 by Representatives Murray and Simpson

AN ACT Relating to authorizing bonds for transportation funding; adding new sections to chapter 47.10 RCW; providing an effective date; and declaring an emergency.

Referred to Committee on Transportation.

HB 2312 by Representatives Murray and Simpson

AN ACT Relating to transportation revenue; amending RCW 82.36.025, 82.38.030, 46.68.090, 82.38.035, 82.38.045, 43.84.092, 46.68.035, 46.16.237, 46.16.270, 46.20.055, 46.20.070, 46.20.117, 46.20.120, 46.20.311, 46.20.049, and 43.135.045; reenacting and amending RCW 43.84.092, 46.16.070, and 46.20.308; adding a new section to chapter 46.68 RCW; adding new sections to chapter 46.16 RCW; adding new sections to chapter 82.80 RCW; creating new sections; providing effective dates; providing an expiration date; and declaring an emergency.

Referred to Committee on Transportation.

There being no objection, the bills listed on the day's introduction sheet under the fourth order of business were referred to the committees so designated.

#### **REPORTS OF STANDING COMMITTEES**

April 7, 2005

E2SSB 5581 Prime Sponsor, Senate Committee On Ways & Means: Establishing the life sciences discovery fund. (REVISED FOR ENGROSSED: Establishing the life sciences discovery fund authority.)  
Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Appropriations and without amendment by Committee on Technology, Energy & Communications:

Strike everything after the enacting clause and insert the following:

#### **"NEW SECTION. Sec. 1. LEGISLATIVE DECLARATION.**

The legislature declares that promoting the health of state residents is a fundamental purpose of state government. The legislature declares it to be a clear public purpose and governmental function to promote life sciences research to foster a preventive and predictive vision of the next generation of health-related innovations, to enhance the competitive position of Washington state in this vital sector of the economy, and to improve the quality and delivery of health care for the people of Washington. The legislature finds that public support for and promotion of life sciences research will benefit the state and its residents through improved health status and health outcomes, economic development, and contributions to scientific knowledge, and such research will lead to breakthroughs and improvements that might not otherwise be discovered due to lack of existing market incentives, especially in the area of regenerative medicine. The legislature finds that public support for and promotion of life sciences research has the potential to provide cures or new treatments for many debilitating diseases that cost the state millions of dollars each year. It is appropriate and consistent with the intent of the master settlement agreement between the state and tobacco product manufacturers to invest a portion of the revenues derived therefrom by the state in life sciences research, to leverage the revenues with other funds, and to encourage cooperation and innovation among public and private institutions involved in life sciences research. The purpose of this chapter is to establish a life sciences discovery fund authority, to grant that authority the power to contract with the state to receive revenues under the master settlement agreement, and to contract with other entities to receive other funds, and to disburse those funds consistent with the purpose of this chapter. The life sciences discovery fund is intended to promote the best available research in life sciences disciplines through diverse Washington institutions and to foster improved health care outcomes and improved agricultural production research across this state and the world. The research investments of the life sciences discovery fund are intended to further the goals of the "Bio 21" report and to support future statewide, comprehensive strategies to lead the nation in life sciences-related research and employment.

**NEW SECTION. Sec. 2. DEFINITIONS.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Authority" means the life sciences discovery fund authority created in this chapter.

(2) "Board" means the governing board of trustees of the authority.

(3) "Contribution agreement" means any agreement authorized under this chapter in which a private entity or a public entity other

than the state agrees to provide to the authority contributions for the purpose of promoting life sciences research.

(4) "Life sciences research" means advanced and applied research and development intended to improve human health, including scientific study of the developing brain and human learning and development, and other areas of scientific research and development vital to the state's economy.

(5) "Master settlement agreement" means the national master settlement agreement and related documents entered into on November 23, 1998, by the state and the four principal United States tobacco product manufacturers, as amended and supplemented, for the settlement of litigation brought by the state against the tobacco product manufacturers.

(6) "Public employee" means any person employed by the state of Washington or any agency or political subdivision thereof.

(7) "Public facilities" means any public institution, public facility, public equipment, or any physical asset owned, leased, or controlled by the state of Washington or any agency or political subdivision thereof.

(8) "Public funds" means any funds received or controlled by the state of Washington or any agency or political subdivision thereof, including, but not limited to, funds derived from federal, state, or local taxes, gifts or grants from any source, public or private, federal grants or payments, or intergovernmental transfers.

(9) "State agreement" means the agreement authorized under this chapter in which the state provides to the authority the strategic contribution payments required to be made by tobacco product manufacturers to the state and the state's rights to receive such payments, pursuant to the master settlement agreement, for the purpose of promoting life sciences research.

(10) "Strategic contribution payments" means the payments designated as such under the master settlement agreement, which will be made to the state in the years 2008 through 2017.

**NEW SECTION. Sec. 3. LIFE SCIENCES DISCOVERY FUND AUTHORITY--ESTABLISHED.** (1) The life sciences discovery fund authority is created and constitutes a public instrumentality and agency of the state, separate and distinct from the state, exercising public and essential governmental functions.

(2) The powers of the authority are vested in and shall be exercised by a board of trustees consisting of: Two members of either the house appropriations committee or the house committee dealing with technology issues, one from each caucus, to be appointed by the speaker of the house of representatives; two members of either the senate committee on ways and means or the senate committee dealing with technology issues, one from each caucus, to be appointed by the president of the senate; and seven members appointed by the governor with the consent of the senate, one of whom shall be appointed by the governor as chair of the authority and who shall serve on the board and as chair of the authority at the pleasure of the governor. The respective officials shall make the initial appointments no later than thirty days after the effective date of this section. The term of the trustees, other than the chair, is four years from the date of their appointment, except that the terms of three of the initial gubernatorial appointees, as determined by the governor, are for two years from the date of their appointment. A trustee appointed by the governor may be removed by the governor for cause under RCW 43.06.070 and 43.06.080. The appropriate official shall fill any vacancy on the board by appointment for the remainder of the unexpired term. The trustees appointed by the governor shall be compensated in accordance with RCW 43.03.240 and may be reimbursed, solely from the funds of the authority, for expenses incurred in the discharge of their duties under this chapter, subject to RCW 43.03.050 and 43.03.060. The trustees who are legislators shall be reimbursed for travel expenses in accordance with RCW 44.04.120.

(3) Seven members of the board constitute a quorum.

(4) The trustees shall elect a treasurer and secretary annually, and other officers as the trustees determine necessary, and may adopt bylaws or rules for their own government.

(5) Meetings of the board shall be held in accordance with the open public meetings act, chapter 42.30 RCW, and at the call of the chair or when a majority of the trustees so requests. Meetings of the

board may be held at any location within or out of the state, and trustees may participate in a meeting of the board by means of a conference telephone or similar communication equipment under RCW 23B.08.200.

(6) The authority is subject to audit by the state auditor.

(7) The attorney general must advise the authority and represent it in all legal proceedings.

**NEW SECTION. Sec. 4. SPECIAL TRUST POWERS.** In addition to other powers and duties prescribed in this chapter, the authority is empowered to:

(1) Use public moneys in the life sciences discovery fund, leveraging those moneys with amounts received from other public and private sources in accordance with contribution agreements, to promote life sciences research;

(2) Solicit and receive gifts, grants, and bequests, and enter into contribution agreements with private entities and public entities other than the state to receive moneys in consideration of the authority's promise to leverage those moneys with amounts received through appropriations from the legislature and contributions from other public entities and private entities, in order to use those moneys to promote life sciences research. Nonstate moneys received by the authority for this purpose shall be deposited in the life sciences discovery fund created in section 8 of this act;

(3) Hold funds received by the authority in trust for their use pursuant to this chapter to promote life sciences research;

(4) Manage its funds, obligations, and investments as necessary and as consistent with its purpose including the segregation of revenues into separate funds and accounts;

(5) Make grants to entities pursuant to contract for the promotion of life sciences research to be conducted in the state. Grant agreements shall specify deliverables to be provided by the recipient pursuant to the grant. The authority shall solicit requests for funding and evaluate the requests by reference to factors such as: (a) The quality of the proposed research; (b) its potential to improve health outcomes, with particular attention to the likelihood that it will also lower health care costs, substitute for a more costly diagnostic or treatment modality, or offer a breakthrough treatment for a particular disease or condition; (c) its potential for leveraging additional funding; (d) its potential to provide health care benefits or benefit human learning and development; (e) its potential to stimulate the health care delivery, biomedical manufacturing, and life sciences related employment in the state; (f) the geographic diversity of the grantees within Washington; (g) evidence of potential royalty income and contractual means to recapture such income for purposes of this chapter; and (h) evidence of public and private collaboration;

(6) Create one or more advisory boards composed of scientists, industrialists, and others familiar with life sciences research; and

(7) Adopt policies and procedures to facilitate the orderly process of grant application, review, and reward.

**NEW SECTION. Sec. 5. GENERAL POWERS--RESTRICTIONS.** The authority has all the general powers necessary to carry out its purposes and duties and to exercise its specific powers. In addition to other powers specified in this chapter, the authority may: (1) Sue and be sued in its own name; (2) make and execute agreements, contracts, and other instruments, with any public or private person or entity, in accordance with this chapter; (3) employ, contract with, or engage independent counsel, financial advisors, auditors, other technical or professional assistants, and such other personnel as are necessary or desirable to implement this chapter; (4) establish such special funds, and controls on deposits to and disbursements from them, as it finds convenient for the implementation of this chapter; (5) enter into contracts with public and private entities for life sciences research to be conducted in the state; (6) adopt rules, consistent with this chapter; (7) delegate any of its powers and duties if consistent with the purposes of this chapter; (8) exercise any other power reasonably required to implement the purposes of this chapter; and (9) hire staff and pay administrative costs.

**NEW SECTION. Sec. 6. LIMITATION OF LIABILITY.** Members of the board and persons acting on behalf of the authority,

while acting within the scope of their employment or agency, are not subject to personal liability resulting from carrying out the powers and duties conferred on them under this chapter. Neither the state nor the authority is liable for any loss, damage, harm, or other consequence resulting directly or indirectly from grants made by the authority or by any life sciences research funded by such grants.

**NEW SECTION. Sec. 7. DISSOLUTION OF THE AUTHORITY.** The authority may petition the legislature to be dissolved upon a showing that it has no reason to exist and that any assets it retains must be distributed to one or more similar entities approved by the legislature. The legislature reserves the right to dissolve the authority after its contractual obligations to its funders and grant recipients have expired.

**NEW SECTION. Sec. 8. LIFE SCIENCES DISCOVERY FUND.** The life sciences discovery fund is created in the custody of the state treasurer. Only the board or the board's designee may authorize expenditures from the fund. Expenditures from the fund may be made only for purposes of this chapter. Administrative expenses of the authority, including staff support, may be paid only from the fund. Revenues to the fund consist of transfers made by the legislature from strategic contribution payments deposited in the tobacco settlement account under RCW 43.79.480, moneys received pursuant to contribution agreements entered into pursuant to section 4 of this act, moneys received from gifts, grants, and bequests, and interest earned on the fund.

**NEW SECTION. Sec. 9.** A new section is added to chapter 82.04 RCW to read as follows:

**BUSINESS AND OCCUPATION TAX EXEMPTION.** This chapter does not apply to income received by the life sciences discovery fund authority under chapter 43.-- RCW (sections 1 through 8 of this act).

**Sec. 10.** RCW 43.79.480 and 2002 c 365 s 15 are each amended to read as follows:

(1) Moneys received by the state of Washington in accordance with the settlement of the state's legal action against tobacco product manufacturers, exclusive of costs and attorneys' fees, shall be deposited in the tobacco settlement account created in this section except as these moneys are sold or assigned under chapter 43.340 RCW.

(2) The tobacco settlement account is created in the state treasury. Moneys in the tobacco settlement account may only be transferred to the health services account for the purposes set forth in RCW 43.72.900, and to the tobacco prevention and control account for purposes set forth in this section. The legislature shall transfer amounts received as strategic contribution payments as defined in section 2 of this act to the life sciences discovery fund created in section 8 of this act.

(3) The tobacco prevention and control account is created in the state treasury. The source of revenue for this account is moneys transferred to the account from the tobacco settlement account, investment earnings, donations to the account, and other revenues as directed by law. Expenditures from the account are subject to appropriation.

**Sec. 11.** RCW 42.30.110 and 2003 c 277 s 1 are each amended to read as follows:

(1) Nothing contained in this chapter may be construed to prevent a governing body from holding an executive session during a regular or special meeting:

(a) To consider matters affecting national security;

(b) To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price;

(c) To consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price. However, final action selling or leasing public property shall be taken in a meeting open to the public;

(d) To review negotiations on the performance of publicly bid contracts when public knowledge regarding such consideration would cause a likelihood of increased costs;

(e) To consider, in the case of an export trading company, financial and commercial information supplied by private persons to the export trading company;

(f) To receive and evaluate complaints or charges brought against a public officer or employee. However, upon the request of such officer or employee, a public hearing or a meeting open to the public shall be conducted upon such complaint or charge;

(g) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW 42.30.140(4), discussion by a governing body of salaries, wages, and other conditions of employment to be generally applied within the agency shall occur in a meeting open to the public, and when a governing body elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public;

(h) To evaluate the qualifications of a candidate for appointment to elective office. However, any interview of such candidate and final action appointing a candidate to elective office shall be in a meeting open to the public;

(i) To discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

This subsection (1)(i) does not permit a governing body to hold an executive session solely because an attorney representing the agency is present. For purposes of this subsection (1)(i), "potential litigation" means matters protected by RPC 1.6 or RCW 5.60.060(2)(a) concerning:

(A) Litigation that has been specifically threatened to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party;

(B) Litigation that the agency reasonably believes may be commenced by or against the agency, the governing body, or a member acting in an official capacity; or

(C) Litigation or legal risks of a proposed action or current practice that the agency has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the agency;

(j) To consider, in the case of the state library commission or its advisory bodies, western library network prices, products, equipment, and services, when such discussion would be likely to adversely affect the network's ability to conduct business in a competitive economic climate. However, final action on these matters shall be taken in a meeting open to the public;

(k) To consider, in the case of the state investment board, financial and commercial information when the information relates to the investment of public trust or retirement funds and when public knowledge regarding the discussion would result in loss to such funds or in private loss to the providers of this information;

(l) To consider proprietary or confidential unpublished information related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026;

(m) To consider in the case of the life sciences discovery fund authority, the substance of grant applications and grant awards when public knowledge regarding the discussion would reasonably be expected to result in private loss to the providers of this information.

(2) Before convening in executive session, the presiding officer of a governing body shall publicly announce the purpose for excluding the public from the meeting place, and the time when the executive session will be concluded. The executive session may be extended to a stated later time by announcement of the presiding officer.

**NEW SECTION. Sec. 12.** A new section is added to chapter 41.06 RCW to read as follows:

In addition to the exemptions set forth in RCW 41.06.070, this chapter does not apply to employees of the life sciences discovery fund authority under chapter 43.-- RCW (sections 1 through 8 of this act).

**Sec. 13.** RCW 42.17.310 and 2003 1st sp.s. c 26 s 926, 2003 c 277 s 3, and 2003 c 124 s 1 are each reenacted and amended to read as follows:

(1) The following are exempt from public inspection and copying:

(a) Personal information in any files maintained for students in public schools, patients or clients of public institutions or public health agencies, or welfare recipients.

(b) Personal information in files maintained for employees, appointees, or elected officials of any public agency to the extent that disclosure would violate their right to privacy.

(c) Information required of any taxpayer in connection with the assessment or collection of any tax if the disclosure of the information to other persons would (i) be prohibited to such persons by RCW 84.08.210, 82.32.330, 84.40.020, or 84.40.340 or (ii) violate the taxpayer's right to privacy or result in unfair competitive disadvantage to the taxpayer.

(d) Specific intelligence information and specific investigative records compiled by investigative, law enforcement, and penology agencies, and state agencies vested with the responsibility to discipline members of any profession, the nondisclosure of which is essential to effective law enforcement or for the protection of any person's right to privacy.

(e) Information revealing the identity of persons who are witnesses to or victims of crime or who file complaints with investigative, law enforcement, or penology agencies, other than the public disclosure commission, if disclosure would endanger any person's life, physical safety, or property. If at the time a complaint is filed the complainant, victim or witness indicates a desire for disclosure or nondisclosure, such desire shall govern. However, all complaints filed with the public disclosure commission about any elected official or candidate for public office must be made in writing and signed by the complainant under oath.

(f) Test questions, scoring keys, and other examination data used to administer a license, employment, or academic examination.

(g) Except as provided by chapter 8.26 RCW, the contents of real estate appraisals, made for or by any agency relative to the acquisition or sale of property, until the project or prospective sale is abandoned or until such time as all of the property has been acquired or the property to which the sale appraisal relates is sold, but in no event shall disclosure be denied for more than three years after the appraisal.

(h) Valuable formulae, designs, drawings, computer source code or object code, and research data obtained by any agency within five years of the request for disclosure when disclosure would produce private gain and public loss.

(i) Preliminary drafts, notes, recommendations, and intra-agency memorandums in which opinions are expressed or policies formulated or recommended except that a specific record shall not be exempt when publicly cited by an agency in connection with any agency action.

(j) Records which are relevant to a controversy to which an agency is a party but which records would not be available to another party under the rules of pretrial discovery for causes pending in the superior courts.

(k) Records, maps, or other information identifying the location of archaeological sites in order to avoid the looting or depredation of such sites.

(l) Any library record, the primary purpose of which is to maintain control of library materials, or to gain access to information, which discloses or could be used to disclose the identity of a library user.

(m) Financial information supplied by or on behalf of a person, firm, or corporation for the purpose of qualifying to submit a bid or proposal for (i) a ferry system construction or repair contract as required by RCW 47.60.680 through 47.60.750 or (ii) highway construction or improvement as required by RCW 47.28.070.

(n) Railroad company contracts filed prior to July 28, 1991, with the utilities and transportation commission under RCW 81.34.070, except that the summaries of the contracts are open to public inspection and copying as otherwise provided by this chapter.

(o) Financial and commercial information and records supplied by private persons pertaining to export services provided pursuant to chapter 43.163 RCW and chapter 53.31 RCW, and by persons pertaining to export projects pursuant to RCW 43.23.035.

(p) Financial disclosures filed by private vocational schools under chapters 28B.85 and 28C.10 RCW.

(q) Records filed with the utilities and transportation commission or attorney general under RCW 80.04.095 that a court has determined are confidential under RCW 80.04.095.

(r) Financial and commercial information and records supplied by businesses or individuals during application for loans or program services provided by chapters 43.163, 43.160, 43.330, and 43.168 RCW, or during application for economic development loans or program services provided by any local agency.

(s) Membership lists or lists of members or owners of interests of units in timeshare projects, subdivisions, camping resorts, condominiums, land developments, or common-interest communities affiliated with such projects, regulated by the department of licensing, in the files or possession of the department.

(t) All applications for public employment, including the names of applicants, resumes, and other related materials submitted with respect to an applicant.

(u) The residential addresses or residential telephone numbers of employees or volunteers of a public agency which are held by any public agency in personnel records, public employment related records, or volunteer rosters, or are included in any mailing list of employees or volunteers of any public agency.

(v) The residential addresses and residential telephone numbers of the customers of a public utility contained in the records or lists held by the public utility of which they are customers, except that this information may be released to the division of child support or the agency or firm providing child support enforcement for another state under Title IV-D of the federal social security act, for the establishment, enforcement, or modification of a support order.

(w)(i) The federal social security number of individuals governed under chapter 18.130 RCW maintained in the files of the department of health, except this exemption does not apply to requests made directly to the department from federal, state, and local agencies of government, and national and state licensing, credentialing, investigatory, disciplinary, and examination organizations; (ii) the current residential address and current residential telephone number of a health care provider governed under chapter 18.130 RCW maintained in the files of the department, if the provider requests that this information be withheld from public inspection and copying, and provides to the department an accurate alternate or business address and business telephone number. On or after January 1, 1995, the current residential address and residential telephone number of a health care provider governed under RCW 18.130.040 maintained in the files of the department shall automatically be withheld from public inspection and copying unless the provider specifically requests the information be released, and except as provided for under RCW 42.17.260(9).

(x) Information obtained by the board of pharmacy as provided in RCW 69.45.090.

(y) Information obtained by the board of pharmacy or the department of health and its representatives as provided in RCW 69.41.044, 69.41.280, and 18.64.420.

(z) Financial information, business plans, examination reports, and any information produced or obtained in evaluating or examining a business and industrial development corporation organized or seeking certification under chapter 31.24 RCW.

(aa) Financial and commercial information supplied to the state investment board by any person when the information relates to the investment of public trust or retirement funds and when disclosure would result in loss to such funds or in private loss to the providers of this information.

(bb) Financial and valuable trade information under RCW 51.36.120.

(cc) Client records maintained by an agency that is a domestic violence program as defined in RCW 70.123.020 or 70.123.075 or a rape crisis center as defined in RCW 70.125.030.

(dd) Information that identifies a person who, while an agency employee: (i) Seeks advice, under an informal process established by the employing agency, in order to ascertain his or her rights in connection with a possible unfair practice under chapter 49.60 RCW against the person; and (ii) requests his or her identity or any identifying information not be disclosed.

(ee) Investigative records compiled by an employing agency conducting a current investigation of a possible unfair practice under chapter 49.60 RCW or of a possible violation of other federal, state, or local laws prohibiting discrimination in employment.

(ff) Business related information protected from public inspection and copying under RCW 15.86.110.

(gg) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the clean Washington center in applications for, or delivery of, program services under chapter 70.95H RCW.

(hh) Information and documents created specifically for, and collected and maintained by a quality improvement committee pursuant to RCW 43.70.510 or 70.41.200, or by a peer review committee under RCW 4.24.250, regardless of which agency is in possession of the information and documents.

(ii) Personal information in files maintained in a data base created under RCW 43.07.360.

(jj) Financial and commercial information requested by the public stadium authority from any person or organization that leases or uses the stadium and exhibition center as defined in RCW 36.102.010.

(kk) Names of individuals residing in emergency or transitional housing that are furnished to the department of revenue or a county assessor in order to substantiate a claim for property tax exemption under RCW 84.36.043.

(ll) The names, residential addresses, residential telephone numbers, and other individually identifiable records held by an agency in relation to a vanpool, carpool, or other ride-sharing program or service. However, these records may be disclosed to other persons who apply for ride-matching services and who need that information in order to identify potential riders or drivers with whom to share rides.

(mm) The personally identifying information of current or former participants or applicants in a paratransit or other transit service operated for the benefit of persons with disabilities or elderly persons.

(nn) The personally identifying information of persons who acquire and use transit passes and other fare payment media including, but not limited to, stored value smart cards and magnetic strip cards, except that an agency may disclose this information to a person, employer, educational institution, or other entity that is responsible, in whole or in part, for payment of the cost of acquiring or using a transit pass or other fare payment media, or to the news media when reporting on public transportation or public safety. This information may also be disclosed at the agency's discretion to governmental agencies or groups concerned with public transportation or public safety.

(oo) Proprietary financial and commercial information that the submitting entity, with review by the department of health, specifically identifies at the time it is submitted and that is provided to or obtained by the department of health in connection with an application for, or the supervision of, an antitrust exemption sought by the submitting entity under RCW 43.72.310. If a request for such information is received, the submitting entity must be notified of the request. Within ten business days of receipt of the notice, the submitting entity shall provide a written statement of the continuing need for confidentiality, which shall be provided to the requester. Upon receipt of such notice, the department of health shall continue to treat information designated under this section as exempt from disclosure. If the requester initiates an action to compel disclosure under this chapter, the submitting entity must be joined as a party to demonstrate the continuing need for confidentiality.

(pp) Records maintained by the board of industrial insurance appeals that are related to appeals of crime victims' compensation claims filed with the board under RCW 7.68.110.

(qq) Financial and commercial information supplied by or on behalf of a person, firm, corporation, or entity under chapter 28B.95 RCW relating to the purchase or sale of tuition units and contracts for the purchase of multiple tuition units.

(rr) Any records of investigative reports prepared by any state, county, municipal, or other law enforcement agency pertaining to sex offenses contained in chapter 9A.44 RCW or sexually violent offenses as defined in RCW 71.09.020, which have been transferred to the Washington association of sheriffs and police chiefs for permanent electronic retention and retrieval pursuant to RCW 40.14.070(2)(b).

(ss) Credit card numbers, debit card numbers, electronic check numbers, card expiration dates, or bank or other financial account numbers, except when disclosure is expressly required by or governed by other law.

(tt) Financial information, including but not limited to account numbers and values, and other identification numbers supplied by or on behalf of a person, firm, corporation, limited liability company, partnership, or other entity related to an application for a liquor license, gambling license, or lottery retail license.

(uu) Records maintained by the employment security department and subject to chapter 50.13 RCW if provided to another individual or organization for operational, research, or evaluation purposes.

(vv) Individually identifiable information received by the work force training and education coordinating board for research or evaluation purposes.

(ww) Those portions of records assembled, prepared, or maintained to prevent, mitigate, or respond to criminal terrorist acts, which are acts that significantly disrupt the conduct of government or of the general civilian population of the state or the United States and that manifest an extreme indifference to human life, the public disclosure of which would have a substantial likelihood of threatening public safety, consisting of:

(i) Specific and unique vulnerability assessments or specific and unique response or deployment plans, including compiled underlying data collected in preparation of or essential to the assessments, or to the response or deployment plans; and

(ii) Records not subject to public disclosure under federal law that are shared by federal or international agencies, and information prepared from national security briefings provided to state or local government officials related to domestic preparedness for acts of terrorism.

(xx) Commercial fishing catch data from logbooks required to be provided to the department of fish and wildlife under RCW 77.12.047, when the data identifies specific catch location, timing, or methodology and the release of which would result in unfair competitive disadvantage to the commercial fisher providing the catch data. However, this information may be released to government agencies concerned with the management of fish and wildlife resources.

(yy) Sensitive wildlife data obtained by the department of fish and wildlife. However, sensitive wildlife data may be released to government agencies concerned with the management of fish and wildlife resources. Sensitive wildlife data includes:

(i) The nesting sites or specific locations of endangered species designated under RCW 77.12.020, or threatened or sensitive species classified by rule of the department of fish and wildlife;

(ii) Radio frequencies used in, or locational data generated by, telemetry studies; or

(iii) Other location data that could compromise the viability of a specific fish or wildlife population, and where at least one of the following criteria are met:

(A) The species has a known commercial or black market value;

(B) There is a history of malicious take of that species; or

(C) There is a known demand to visit, take, or disturb, and the species behavior or ecology renders it especially vulnerable or the species has an extremely limited distribution and concentration.

(zz) The personally identifying information of persons who acquire recreational licenses under RCW 77.32.010 or commercial licenses under chapter 77.65 or 77.70 RCW, except name, address of

contact used by the department, and type of license, endorsement, or tag. However, the department of fish and wildlife may disclose personally identifying information to:

(i) Government agencies concerned with the management of fish and wildlife resources;

(ii) The department of social and health services, child support division, and to the department of licensing in order to implement RCW 77.32.014 and 46.20.291; and

(iii) Law enforcement agencies for the purpose of firearm possession enforcement under RCW 9.41.040.

(aaa)(i) Discharge papers of a veteran of the armed forces of the United States filed at the office of the county auditor before July 1, 2002, that have not been commingled with other recorded documents. These records will be available only to the veteran, the veteran's next of kin, a deceased veteran's properly appointed personal representative or executor, a person holding that veteran's general power of attorney, or to anyone else designated in writing by that veteran to receive the records.

(ii) Discharge papers of a veteran of the armed forces of the United States filed at the office of the county auditor before July 1, 2002, that have been commingled with other records, if the veteran has recorded a "request for exemption from public disclosure of discharge papers" with the county auditor. If such a request has been recorded, these records may be released only to the veteran filing the papers, the veteran's next of kin, a deceased veteran's properly appointed personal representative or executor, a person holding the veteran's general power of attorney, or anyone else designated in writing by the veteran to receive the records.

(iii) Discharge papers of a veteran filed at the office of the county auditor after June 30, 2002, are not public records, but will be available only to the veteran, the veteran's next of kin, a deceased veteran's properly appointed personal representative or executor, a person holding the veteran's general power of attorney, or anyone else designated in writing by the veteran to receive the records.

(iv) For the purposes of this subsection (1)(aaa), next of kin of deceased veterans have the same rights to full access to the record. Next of kin are the veteran's widow or widower who has not remarried, son, daughter, father, mother, brother, and sister.

(bbb) Those portions of records containing specific and unique vulnerability assessments or specific and unique emergency and escape response plans at a city, county, or state adult or juvenile correctional facility, the public disclosure of which would have a substantial likelihood of threatening the security of a city, county, or state adult or juvenile correctional facility or any individual's safety.

(ccc) Information compiled by school districts or schools in the development of their comprehensive safe school plans pursuant to RCW 28A.320.125, to the extent that they identify specific vulnerabilities of school districts and each individual school.

(ddd) Information regarding the infrastructure and security of computer and telecommunications networks, consisting of security passwords, security access codes and programs, access codes for secure software applications, security and service recovery plans, security risk assessments, and security test results to the extent that they identify specific system vulnerabilities.

(eee) Information obtained and exempted or withheld from public inspection by the health care authority under RCW 41.05.026, whether retained by the authority, transferred to another state purchased health care program by the authority, or transferred by the authority to a technical review committee created to facilitate the development, acquisition, or implementation of state purchased health care under chapter 41.05 RCW.

(fff) Proprietary data, trade secrets, or other information that relates to: (i) A vendor's unique methods of conducting business; (ii) data unique to the product or services of the vendor; or (iii) determining prices or rates to be charged for services, submitted by any vendor to the department of social and health services for purposes of the development, acquisition, or implementation of state purchased health care as defined in RCW 41.05.011.

(ggg) Proprietary information deemed confidential for the purposes of section 923, chapter 26, Laws of 2003 1st sp. sess.

(hhh) Financial, commercial, operations, and technical research information and data submitted to or obtained by the life sciences discovery fund authority in applications for, or delivery of,

grants under chapter 43.-- RCW (sections 1 through 8 of this act), to the extent that such information, if revealed, would reasonably be expected to result in private loss to the providers of this information.

(2) Except for information described in subsection (1)(c)(i) of this section and confidential income data exempted from public inspection pursuant to RCW 84.40.020, the exemptions of this section are inapplicable to the extent that information, the disclosure of which would violate personal privacy or vital governmental interests, can be deleted from the specific records sought. No exemption may be construed to permit the nondisclosure of statistical information not descriptive of any readily identifiable person or persons.

(3) Inspection or copying of any specific records exempt under the provisions of this section may be permitted if the superior court in the county in which the record is maintained finds, after a hearing with notice thereof to every person in interest and the agency, that the exemption of such records is clearly unnecessary to protect any individual's right of privacy or any vital governmental function.

(4) Agency responses refusing, in whole or in part, inspection of any public record shall include a statement of the specific exemption authorizing the withholding of the record (or part) and a brief explanation of how the exemption applies to the record withheld.

**Sec. 14.** RCW 42.17.310 and 2003 c 277 s 3 and 2003 c 124 s 1 are each reenacted and amended to read as follows:

(1) The following are exempt from public inspection and copying:

(a) Personal information in any files maintained for students in public schools, patients or clients of public institutions or public health agencies, or welfare recipients.

(b) Personal information in files maintained for employees, appointees, or elected officials of any public agency to the extent that disclosure would violate their right to privacy.

(c) Information required of any taxpayer in connection with the assessment or collection of any tax if the disclosure of the information to other persons would (i) be prohibited to such persons by RCW 84.08.210, 82.32.330, 84.40.020, or 84.40.340 or (ii) violate the taxpayer's right to privacy or result in unfair competitive disadvantage to the taxpayer.

(d) Specific intelligence information and specific investigative records compiled by investigative, law enforcement, and penology agencies, and state agencies vested with the responsibility to discipline members of any profession, the nondisclosure of which is essential to effective law enforcement or for the protection of any person's right to privacy.

(e) Information revealing the identity of persons who are witnesses to or victims of crime or who file complaints with investigative, law enforcement, or penology agencies, other than the public disclosure commission, if disclosure would endanger any person's life, physical safety, or property. If at the time a complaint is filed the complainant, victim or witness indicates a desire for disclosure or nondisclosure, such desire shall govern. However, all complaints filed with the public disclosure commission about any elected official or candidate for public office must be made in writing and signed by the complainant under oath.

(f) Test questions, scoring keys, and other examination data used to administer a license, employment, or academic examination.

(g) Except as provided by chapter 8.26 RCW, the contents of real estate appraisals, made for or by any agency relative to the acquisition or sale of property, until the project or prospective sale is abandoned or until such time as all of the property has been acquired or the property to which the sale appraisal relates is sold, but in no event shall disclosure be denied for more than three years after the appraisal.

(h) Valuable formulae, designs, drawings, computer source code or object code, and research data obtained by any agency within five years of the request for disclosure when disclosure would produce private gain and public loss.

(i) Preliminary drafts, notes, recommendations, and intra-agency memorandums in which opinions are expressed or policies formulated or recommended except that a specific record shall not be exempt when publicly cited by an agency in connection with any agency action.

(j) Records which are relevant to a controversy to which an agency is a party but which records would not be available to another party under the rules of pretrial discovery for causes pending in the superior courts.

(k) Records, maps, or other information identifying the location of archaeological sites in order to avoid the looting or depredation of such sites.

(l) Any library record, the primary purpose of which is to maintain control of library materials, or to gain access to information, which discloses or could be used to disclose the identity of a library user.

(m) Financial information supplied by or on behalf of a person, firm, or corporation for the purpose of qualifying to submit a bid or proposal for (i) a ferry system construction or repair contract as required by RCW 47.60.680 through 47.60.750 or (ii) highway construction or improvement as required by RCW 47.28.070.

(n) Railroad company contracts filed prior to July 28, 1991, with the utilities and transportation commission under RCW 81.34.070, except that the summaries of the contracts are open to public inspection and copying as otherwise provided by this chapter.

(o) Financial and commercial information and records supplied by private persons pertaining to export services provided pursuant to chapter 43.163 RCW and chapter 53.31 RCW, and by persons pertaining to export projects pursuant to RCW 43.23.035.

(p) Financial disclosures filed by private vocational schools under chapters 28B.85 and 28C.10 RCW.

(q) Records filed with the utilities and transportation commission or attorney general under RCW 80.04.095 that a court has determined are confidential under RCW 80.04.095.

(r) Financial and commercial information and records supplied by businesses or individuals during application for loans or program services provided by chapters 43.163, 43.160, 43.330, and 43.168 RCW, or during application for economic development loans or program services provided by any local agency.

(s) Membership lists or lists of members or owners of interests of units in timeshare projects, subdivisions, camping resorts, condominiums, land developments, or common-interest communities affiliated with such projects, regulated by the department of licensing, in the files or possession of the department.

(t) All applications for public employment, including the names of applicants, resumes, and other related materials submitted with respect to an applicant.

(u) The residential addresses or residential telephone numbers of employees or volunteers of a public agency which are held by any public agency in personnel records, public employment related records, or volunteer rosters, or are included in any mailing list of employees or volunteers of any public agency.

(v) The residential addresses and residential telephone numbers of the customers of a public utility contained in the records or lists held by the public utility of which they are customers, except that this information may be released to the division of child support or the agency or firm providing child support enforcement for another state under Title IV-D of the federal social security act, for the establishment, enforcement, or modification of a support order.

(w)(i) The federal social security number of individuals governed under chapter 18.130 RCW maintained in the files of the department of health, except this exemption does not apply to requests made directly to the department from federal, state, and local agencies of government, and national and state licensing, credentialing, investigatory, disciplinary, and examination organizations; (ii) the current residential address and current residential telephone number of a health care provider governed under chapter 18.130 RCW maintained in the files of the department, if the provider requests that this information be withheld from public inspection and copying, and provides to the department an accurate alternate or business address and business telephone number. On or after January 1, 1995, the current residential address and residential telephone number of a health care provider governed under RCW 18.130.040 maintained in the files of the department shall automatically be withheld from public inspection and copying unless the provider specifically requests the information be released, and except as provided for under RCW 42.17.260(9).

(x) Information obtained by the board of pharmacy as provided in RCW 69.45.090.

(y) Information obtained by the board of pharmacy or the department of health and its representatives as provided in RCW 69.41.044, 69.41.280, and 18.64.420.

(z) Financial information, business plans, examination reports, and any information produced or obtained in evaluating or examining a business and industrial development corporation organized or seeking certification under chapter 31.24 RCW.

(aa) Financial and commercial information supplied to the state investment board by any person when the information relates to the investment of public trust or retirement funds and when disclosure would result in loss to such funds or in private loss to the providers of this information.

(bb) Financial and valuable trade information under RCW 51.36.120.

(cc) Client records maintained by an agency that is a domestic violence program as defined in RCW 70.123.020 or 70.123.075 or a rape crisis center as defined in RCW 70.125.030.

(dd) Information that identifies a person who, while an agency employee: (i) Seeks advice, under an informal process established by the employing agency, in order to ascertain his or her rights in connection with a possible unfair practice under chapter 49.60 RCW against the person; and (ii) requests his or her identity or any identifying information not be disclosed.

(ee) Investigative records compiled by an employing agency conducting a current investigation of a possible unfair practice under chapter 49.60 RCW or of a possible violation of other federal, state, or local laws prohibiting discrimination in employment.

(ff) Business related information protected from public inspection and copying under RCW 15.86.110.

(gg) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the clean Washington center in applications for, or delivery of, program services under chapter 70.95H RCW.

(hh) Information and documents created specifically for, and collected and maintained by a quality improvement committee pursuant to RCW 43.70.510 or 70.41.200, or by a peer review committee under RCW 4.24.250, regardless of which agency is in possession of the information and documents.

(ii) Personal information in files maintained in a data base created under RCW 43.07.360.

(jj) Financial and commercial information requested by the public stadium authority from any person or organization that leases or uses the stadium and exhibition center as defined in RCW 36.102.010.

(kk) Names of individuals residing in emergency or transitional housing that are furnished to the department of revenue or a county assessor in order to substantiate a claim for property tax exemption under RCW 84.36.043.

(ll) The names, residential addresses, residential telephone numbers, and other individually identifiable records held by an agency in relation to a vanpool, carpool, or other ride-sharing program or service. However, these records may be disclosed to other persons who apply for ride-matching services and who need that information in order to identify potential riders or drivers with whom to share rides.

(mm) The personally identifying information of current or former participants or applicants in a paratransit or other transit service operated for the benefit of persons with disabilities or elderly persons.

(nn) The personally identifying information of persons who acquire and use transit passes and other fare payment media including, but not limited to, stored value smart cards and magnetic strip cards, except that an agency may disclose this information to a person, employer, educational institution, or other entity that is responsible, in whole or in part, for payment of the cost of acquiring or using a transit pass or other fare payment media, or to the news media when reporting on public transportation or public safety. This information may also be disclosed at the agency's discretion to governmental agencies or groups concerned with public transportation or public safety.



(oo) Proprietary financial and commercial information that the submitting entity, with review by the department of health, specifically identifies at the time it is submitted and that is provided to or obtained by the department of health in connection with an application for, or the supervision of, an antitrust exemption sought by the submitting entity under RCW 43.72.310. If a request for such information is received, the submitting entity must be notified of the request. Within ten business days of receipt of the notice, the submitting entity shall provide a written statement of the continuing need for confidentiality, which shall be provided to the requester. Upon receipt of such notice, the department of health shall continue to treat information designated under this section as exempt from disclosure. If the requester initiates an action to compel disclosure under this chapter, the submitting entity must be joined as a party to demonstrate the continuing need for confidentiality.

(pp) Records maintained by the board of industrial insurance appeals that are related to appeals of crime victims' compensation claims filed with the board under RCW 7.68.110.

(qq) Financial and commercial information supplied by or on behalf of a person, firm, corporation, or entity under chapter 28B.95 RCW relating to the purchase or sale of tuition units and contracts for the purchase of multiple tuition units.

(rr) Any records of investigative reports prepared by any state, county, municipal, or other law enforcement agency pertaining to sex offenses contained in chapter 9A.44 RCW or sexually violent offenses as defined in RCW 71.09.020, which have been transferred to the Washington association of sheriffs and police chiefs for permanent electronic retention and retrieval pursuant to RCW 40.14.070(2)(b).

(ss) Credit card numbers, debit card numbers, electronic check numbers, card expiration dates, or bank or other financial account numbers, except when disclosure is expressly required by or governed by other law.

(tt) Financial information, including but not limited to account numbers and values, and other identification numbers supplied by or on behalf of a person, firm, corporation, limited liability company, partnership, or other entity related to an application for a liquor license, gambling license, or lottery retail license.

(uu) Records maintained by the employment security department and subject to chapter 50.13 RCW if provided to another individual or organization for operational, research, or evaluation purposes.

(vv) Individually identifiable information received by the work force training and education coordinating board for research or evaluation purposes.

(ww) Those portions of records assembled, prepared, or maintained to prevent, mitigate, or respond to criminal terrorist acts, which are acts that significantly disrupt the conduct of government or of the general civilian population of the state or the United States and that manifest an extreme indifference to human life, the public disclosure of which would have a substantial likelihood of threatening public safety, consisting of:

(i) Specific and unique vulnerability assessments or specific and unique response or deployment plans, including compiled underlying data collected in preparation of or essential to the assessments, or to the response or deployment plans; and

(ii) Records not subject to public disclosure under federal law that are shared by federal or international agencies, and information prepared from national security briefings provided to state or local government officials related to domestic preparedness for acts of terrorism.

(xx) Commercial fishing catch data from logbooks required to be provided to the department of fish and wildlife under RCW 77.12.047, when the data identifies specific catch location, timing, or methodology and the release of which would result in unfair competitive disadvantage to the commercial fisher providing the catch data. However, this information may be released to government agencies concerned with the management of fish and wildlife resources.

(yy) Sensitive wildlife data obtained by the department of fish and wildlife. However, sensitive wildlife data may be released to government agencies concerned with the management of fish and wildlife resources. Sensitive wildlife data includes:

(i) The nesting sites or specific locations of endangered species designated under RCW 77.12.020, or threatened or sensitive species classified by rule of the department of fish and wildlife;

(ii) Radio frequencies used in, or locational data generated by, telemetry studies; or

(iii) Other location data that could compromise the viability of a specific fish or wildlife population, and where at least one of the following criteria are met:

(A) The species has a known commercial or black market value;

(B) There is a history of malicious take of that species; or

(C) There is a known demand to visit, take, or disturb, and the species behavior or ecology renders it especially vulnerable or the species has an extremely limited distribution and concentration.

(zz) The personally identifying information of persons who acquire recreational licenses under RCW 77.32.010 or commercial licenses under chapter 77.65 or 77.70 RCW, except name, address of contact used by the department, and type of license, endorsement, or tag. However, the department of fish and wildlife may disclose personally identifying information to:

(i) Government agencies concerned with the management of fish and wildlife resources;

(ii) The department of social and health services, child support division, and to the department of licensing in order to implement RCW 77.32.014 and 46.20.291; and

(iii) Law enforcement agencies for the purpose of firearm possession enforcement under RCW 9.41.040.

(aaa)(i) Discharge papers of a veteran of the armed forces of the United States filed at the office of the county auditor before July 1, 2002, that have not been commingled with other recorded documents. These records will be available only to the veteran, the veteran's next of kin, a deceased veteran's properly appointed personal representative or executor, a person holding that veteran's general power of attorney, or to anyone else designated in writing by that veteran to receive the records.

(ii) Discharge papers of a veteran of the armed forces of the United States filed at the office of the county auditor before July 1, 2002, that have been commingled with other records, if the veteran has recorded a "request for exemption from public disclosure of discharge papers" with the county auditor. If such a request has been recorded, these records may be released only to the veteran filing the papers, the veteran's next of kin, a deceased veteran's properly appointed personal representative or executor, a person holding the veteran's general power of attorney, or anyone else designated in writing by the veteran to receive the records.

(iii) Discharge papers of a veteran filed at the office of the county auditor after June 30, 2002, are not public records, but will be available only to the veteran, the veteran's next of kin, a deceased veteran's properly appointed personal representative or executor, a person holding the veteran's general power of attorney, or anyone else designated in writing by the veteran to receive the records.

(iv) For the purposes of this subsection (1)(aaa), next of kin of deceased veterans have the same rights to full access to the record. Next of kin are the veteran's widow or widower who has not remarried, son, daughter, father, mother, brother, and sister.

(bbb) Those portions of records containing specific and unique vulnerability assessments or specific and unique emergency and escape response plans at a city, county, or state adult or juvenile correctional facility, the public disclosure of which would have a substantial likelihood of threatening the security of a city, county, or state adult or juvenile correctional facility or any individual's safety.

(ccc) Information compiled by school districts or schools in the development of their comprehensive safe school plans pursuant to RCW 28A.320.125, to the extent that they identify specific vulnerabilities of school districts and each individual school.

(ddd) Information regarding the infrastructure and security of computer and telecommunications networks, consisting of security passwords, security access codes and programs, access codes for secure software applications, security and service recovery plans, security risk assessments, and security test results to the extent that they identify specific system vulnerabilities.

(eee) Information obtained and exempted or withheld from public inspection by the health care authority under RCW 41.05.026, whether retained by the authority, transferred to another state

purchased health care program by the authority, or transferred by the authority to a technical review committee created to facilitate the development, acquisition, or implementation of state purchased health care under chapter 41.05 RCW.

(fff) Proprietary data, trade secrets, or other information that relates to: (i) A vendor's unique methods of conducting business; (ii) data unique to the product or services of the vendor; or (iii) determining prices or rates to be charged for services, submitted by any vendor to the department of social and health services for purposes of the development, acquisition, or implementation of state purchased health care as defined in RCW 41.05.011.

(ggg) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the life sciences discovery fund authority in applications for, or delivery of, grants under chapter 43.-- RCW (sections 1 through 8 of this act), to the extent that such information, if revealed, would reasonably be expected to result in private loss to the providers of this information.

(2) Except for information described in subsection (1)(c)(i) of this section and confidential income data exempted from public inspection pursuant to RCW 84.40.020, the exemptions of this section are inapplicable to the extent that information, the disclosure of which would violate personal privacy or vital governmental interests, can be deleted from the specific records sought. No exemption may be construed to permit the nondisclosure of statistical information not descriptive of any readily identifiable person or persons.

(3) Inspection or copying of any specific records exempt under the provisions of this section may be permitted if the superior court in the county in which the record is maintained finds, after a hearing with notice thereof to every person in interest and the agency, that the exemption of such records is clearly unnecessary to protect any individual's right of privacy or any vital governmental function.

(4) Agency responses refusing, in whole or in part, inspection of any public record shall include a statement of the specific exemption authorizing the withholding of the record (or part) and a brief explanation of how the exemption applies to the record withheld.

**Sec. 15.** RCW 42.17.2401 and 2001 c 36 s 1 and 2001 c 9 s 1 are each reenacted and amended to read as follows:

For the purposes of RCW 42.17.240, the term "executive state officer" includes:

(1) The chief administrative law judge, the director of agriculture, the administrator of the Washington basic health plan, the director of the department of services for the blind, the director of the state system of community and technical colleges, the director of community, trade, and economic development, the secretary of corrections, the director of ecology, the commissioner of employment security, the ((chairman)) chair of the energy facility site evaluation council, the secretary of the state finance committee, the director of financial management, the director of fish and wildlife, the executive secretary of the forest practices appeals board, the director of the gambling commission, the director of general administration, the secretary of health, the administrator of the Washington state health care authority, the executive secretary of the health care facilities authority, the executive secretary of the higher education facilities authority, the executive secretary of the horse racing commission, the executive secretary of the human rights commission, the executive secretary of the indeterminate sentence review board, the director of the department of information services, the director of the interagency committee for outdoor recreation, the executive director of the state investment board, the director of labor and industries, the director of licensing, the director of the lottery commission, the director of the office of minority and women's business enterprises, the director of parks and recreation, the director of personnel, the executive director of the public disclosure commission, the director of retirement systems, the director of revenue, the secretary of social and health services, the chief of the Washington state patrol, the executive secretary of the board of tax appeals, the secretary of transportation, the secretary of the utilities and transportation commission, the director of veterans affairs, the president of each of the regional and state universities and the president of The Evergreen State College, each district and each campus president of each state community college;

(2) Each professional staff member of the office of the governor;

(3) Each professional staff member of the legislature; and

(4) Central Washington University board of trustees, board of trustees of each community college, each member of the state board for community and technical colleges, state convention and trade center board of directors, committee for deferred compensation, Eastern Washington University board of trustees, Washington economic development finance authority, The Evergreen State College board of trustees, executive ethics board, forest practices appeals board, forest practices board, gambling commission, life sciences discovery fund authority board of trustees, Washington health care facilities authority, each member of the Washington health services commission, higher education coordinating board, higher education facilities authority, horse racing commission, state housing finance commission, human rights commission, indeterminate sentence review board, board of industrial insurance appeals, information services board, interagency committee for outdoor recreation, state investment board, commission on judicial conduct, legislative ethics board, liquor control board, lottery commission, marine oversight board, Pacific Northwest electric power and conservation planning council, parks and recreation commission, personnel appeals board, board of pilotage commissioners, pollution control hearings board, public disclosure commission, public pension commission, shorelines hearing board, public employees' benefits board, salmon recovery funding board, board of tax appeals, transportation commission, University of Washington board of regents, utilities and transportation commission, Washington state maritime commission, Washington personnel resources board, Washington public power supply system executive board, Washington State University board of regents, Western Washington University board of trustees, and fish and wildlife commission.

**Sec. 16.** RCW 43.79A.040 and 2004 c 246 s 8 and 2004 c 58 s 10 are each reenacted and amended to read as follows:

(1) Money in the treasurer's trust fund may be deposited, invested, and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury.

(2) All income received from investment of the treasurer's trust fund shall be set aside in an account in the treasury trust fund to be known as the investment income account.

(3) The investment income account may be utilized for the payment of purchased banking services on behalf of treasurer's trust funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasurer or affected state agencies. The investment income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4)(a) Monthly, the state treasurer shall distribute the earnings credited to the investment income account to the state general fund except under (b) and (c) of this subsection.

(b) The following accounts and funds shall receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The Washington promise scholarship account, the college savings program account, the Washington advanced college tuition payment program account, the agricultural local fund, the American Indian scholarship endowment fund, the students with dependents grant account, the basic health plan self-insurance reserve account, the contract harvesting revolving account, the Washington state combined fund drive account, the Washington international exchange scholarship endowment fund, the developmental disabilities endowment trust fund, the energy account, the fair fund, the fruit and vegetable inspection account, the future teachers conditional scholarship account, the game farm alternative account, the grain inspection revolving fund, the juvenile accountability incentive account, the law enforcement officers' and fire fighters' plan 2 expense fund, the local tourism promotion account, the produce railcar pool account, the rural rehabilitation account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the sulfur dioxide abatement account, the children's trust fund, the Washington horse

racing commission Washington bred owners' bonus fund account, the Washington horse racing commission class C purse fund account, ~~((and))~~ the Washington horse racing commission operating account (earnings from the Washington horse racing commission operating account must be credited to the Washington horse racing commission class C purse fund account), and the life sciences discovery fund. However, the earnings to be distributed shall first be reduced by the allocation to the state treasurer's service fund pursuant to RCW 43.08.190.

(c) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advanced right of way revolving fund, the advanced environmental mitigation revolving account, the city and county advance right-of-way revolving fund, the federal narcotics asset forfeitures account, the high occupancy vehicle account, the local rail service assistance account, and the miscellaneous transportation programs account.

(5) In conformance with Article II, section 37 of the state Constitution, no trust accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

NEW SECTION. Sec. 17. CAPTIONS. Captions used in this act are not any part of the law.

NEW SECTION. Sec. 18. LIBERAL CONSTRUCTION. This act, being necessary for the welfare of the state and its inhabitants, shall be liberally construed.

NEW SECTION. Sec. 19. CODIFICATION. Sections 1 through 8 of this act constitute a new chapter in Title 43 RCW.

NEW SECTION. Sec. 20. SEVERABILITY. 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. 21. EXPIRATION DATES. Section 13 of this act expires June 30, 2005.

NEW SECTION. Sec. 22. EFFECTIVE DATE. 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, except for section 14 of this act, which takes effect June 30, 2005."

Correct the title.

Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McIntire and Schual-Berke.

MINORITY recommendation: Do not pass. Signed by Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Armstrong; Bailey; Buri; Clements; Hinkle; McDonald; Miloscia; Pearson; Priest; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 7, 2005

ESSB 6090 Prime Sponsor, Senate Committee On Ways & Means: Making 2005-07 operating appropriations. (REVISED FOR PASSED LEGISLATURE: Making 2003-05 and 2005-07 operating appropriations.) Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) A budget is hereby adopted and, subject to the provisions set forth in the following sections, the several amounts specified in parts I through VIII of this act, or so much thereof as shall be sufficient to accomplish the purposes designated, are hereby appropriated and authorized to be incurred for salaries, wages, and other expenses of the agencies and offices of the state and for other specified purposes for the fiscal biennium beginning July 1, 2005, and ending June 30, 2007, except as otherwise provided, out of the several funds of the state hereinafter named.

(2) Unless the context clearly requires otherwise, the definitions in this section apply throughout this act.

(a) "Fiscal year 2006" or "FY 2006" means the fiscal year ending June 30, 2006.

(b) "Fiscal year 2007" or "FY 2007" means the fiscal year ending June 30, 2007.

(c) "FTE" means full time equivalent.

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

(e) "Provided solely" means the specified amount may be spent only for the specified purpose.

Unless otherwise specifically authorized in this act, any portion of an amount provided solely for a specified purpose which is unnecessary to fulfill the specified purpose shall lapse.

**PART I  
GENERAL GOVERNMENT**

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

General Fund--State Appropriation (FY 2006) . . . . .	\$29,300,000
General Fund--State Appropriation (FY 2007) . . . . .	\$29,372,000
TOTAL APPROPRIATION . . . . .	\$58,672,000

The appropriations in this section are subject to the following conditions and limitations: \$150,000 of the general fund--state appropriation for fiscal year 2006 is provided solely for the joint select committee on fiscal stability.

(1) The joint select committee on fiscal stability is created, consisting of twelve members as follows: Three members shall be appointed by the leader of each of the two largest caucuses of the senate and the two largest caucuses of the house of representatives. The governor shall appoint an additional person to serve as the chair of the committee. The chair may vote on procedural questions, but may not vote on substantive questions concerning the research or recommendations of the committee.

(2) The committee shall develop recommendations for specific statutory and constitutional provisions to establish or revise the following:

- (a) Spending limits;
- (b) Tax limits;
- (c) Emergency reserve accounts; and
- (d) Tax reforms necessary to: Create a sustainable system of state and local finance; improve the fairness of state and local taxation; and improve the competitiveness of Washington's economy.

(3) The committee shall conduct a series of public hearings on these topics and its proposed recommendations. The hearings shall be held in locations across the state and structured to encourage full participation by persons who represent a balance of perspectives and constituencies. The committee shall submit its findings and recommendations in a report to the fiscal committees of the legislature by January 1, 2006.

(4) The committee shall use legislative facilities and staff from senate committee services and the office of program research. The department of revenue shall provide necessary support and information to the committee. The chair of the committee shall be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060. All expenses of the committee, including travel, shall be paid jointly by the senate and the house of representatives.

**NEW SECTION. Sec. 102. FOR THE SENATE**

General Fund--State Appropriation (FY 2006) . . . . .	\$22,623,000
General Fund--State Appropriation (FY 2007) . . . . .	\$24,301,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$46,924,000</b>

The appropriations in this section are subject to the following conditions and limitations: \$150,000 of the general fund--state appropriation for fiscal year 2006 is provided solely for the joint select committee on fiscal stability.

(1) The joint select committee on fiscal stability is created, consisting of twelve members as follows: Three members shall be appointed by the leader of each of the two largest caucuses of the senate and the two largest caucuses of the house of representatives. The governor shall appoint an additional person to serve as the chair of the committee. The chair may vote on procedural questions, but may not vote on substantive questions concerning the research or recommendations of the committee.

(2) The committee shall develop recommendations for specific statutory and constitutional provisions to establish or revise the following:

- (a) Spending limits;
- (b) Tax limits;
- (c) Emergency reserve accounts; and
- (d) Tax reforms necessary to: Create a sustainable system of state and local finance; improve the fairness of state and local taxation; and improve the competitiveness of Washington's economy.

(3) The committee shall conduct a series of public hearings on these topics and its proposed recommendations. The hearings shall be held in locations across the state and structured to encourage full participation by persons who represent a balance of perspectives and constituencies. The committee shall submit its findings and recommendations in a report to the fiscal committees of the legislature by January 1, 2006.

(4) The committee shall use legislative facilities and staff from senate committee services and the office of program research. The department of revenue shall provide necessary support and information to the committee. The chair of the committee shall be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060. All expenses of the committee, including travel, shall be paid jointly by the senate and the house of representatives.

**NEW SECTION. Sec. 103. FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE**

General Fund--State Appropriation (FY 2006) . . . . .	\$3,124,000
General Fund--State Appropriation (FY 2007) . . . . .	\$3,094,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$6,218,000</b>

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

(1) Notwithstanding the provisions in this section, the committee may adjust the due dates for projects included on the committee's 2005-07 work plan as necessary to efficiently manage workload.

(2) \$563,000 of the general fund--state appropriation for fiscal year 2006 and \$863,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for consultant costs related to the support of the citizen advisory board required by House Bill No. 1064 (government accountability). If House Bill No. 1064 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(3) \$374,000 of the general fund--state appropriation for fiscal year 2006 and \$360,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for consultant costs related to the citizen commission for performance measurement of tax preferences required by House Bill No. 1069 (audits of tax preferences). If House Bill No. 1069 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(4) \$188,000 of the general fund--state appropriation for fiscal year 2006 is provided solely for the cost of evaluating the effectiveness of the job development fund grant program required by House Bill No. 1903 (creating a job development fund). If House Bill No. 1903 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(5) \$100,000 of the general fund--state appropriation is provided solely for an evaluation of the budget process used for information technology projects. The evaluation will include: Itemizing total costs for current information technology funding across state agencies; analyzing current processes by which information funding is requested and evaluated; analyzing processes used in the private sector and other states; and assessing the applicability of other practices for improving the state's funding process. A report is due in January 2006.

(6) \$125,000 of the general fund--state appropriation for fiscal year 2006 is provided solely for a study of the current state pupil transportation funding formula. The study will evaluate the extent to which the formula captures the costs of providing pupil transportation for basic education programs. Based on the results of this evaluation, the study shall develop alternative formulas for allocating state funding to school districts for the transportation of students for basic education programs. The alternative formulas shall take into account the legislative definition of basic education programs, promote the efficient use of state and local resources, and allow local district control over the management of pupil transportation systems. In addition, the study shall include a review of the funding mechanisms used by other states and identify best practices.

(7) Within amounts provided in this section, the committee shall conduct a review of the special education excess cost accounting methodology and expenditure reporting requirements. The committee shall work with the state auditor's office and develop a mutually acceptable work plan in conducting this review. This review may include, but is not limited to: (a) An analysis of the current special education excess cost accounting methodology and related special education expenditure reporting requirements; (b) an examination of whether opportunities exist for modifying the current excess cost accounting methodology and expenditure reporting requirements; (c) an assessment of the potential impact on school districts if the current excess cost accounting methodology and expenditure reporting requirements are modified; and (d) any findings and recommendations from the state auditor's office examination of whether school districts are appropriately and consistently applying the current excess cost methodology. The committee shall provide a report to the appropriate policy and fiscal committees of the legislature in January 2006.

**NEW SECTION. Sec. 104. FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE**

General Fund--State Appropriation (FY 2006) . . . . .	\$1,677,000
General Fund--State Appropriation (FY 2007) . . . . .	\$1,829,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$3,506,000</b>

**NEW SECTION. Sec. 105. FOR THE OFFICE OF THE STATE ACTUARY**

Department of Retirement Systems Expense Account--State Appropriation . . . . .	\$2,902,000
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**NEW SECTION. Sec. 106. FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**

General Fund--State Appropriation (FY 2006) . . . . .	\$7,142,000
General Fund--State Appropriation (FY 2007) . . . . .	\$7,038,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$14,180,000</b>

**NEW SECTION. Sec. 107. FOR THE STATUTE LAW COMMITTEE**

General Fund--State Appropriation (FY 2006) . . . . .	\$3,975,000
General Fund--State Appropriation (FY 2007) . . . . .	\$4,209,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$8,184,000</b>

**NEW SECTION. Sec. 108. LEGISLATIVE AGENCIES.** In order to achieve operating efficiencies within the financial resources available to the legislative branch, the executive rules committee of the house of representatives and the facilities and operations committee of the senate by joint action may transfer funds among the house of representatives, senate, joint legislative audit and review committee, legislative evaluation and accountability program committee, legislative transportation committee, office of the state

actuary, joint legislative systems committee, and statute law committee.

**NEW SECTION. Sec. 109. FOR THE SUPREME COURT**

General Fund--State Appropriation (FY 2006)	.....	\$5,901,000
General Fund--State Appropriation (FY 2007)	.....	\$6,057,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$11,958,000</b>

**NEW SECTION. Sec. 110. FOR THE LAW LIBRARY**

General Fund--State Appropriation (FY 2006)	.....	\$1,983,000
General Fund--State Appropriation (FY 2007)	.....	\$1,982,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$3,965,000</b>

**NEW SECTION. Sec. 111. FOR THE COURT OF APPEALS**

General Fund--State Appropriation (FY 2006)	.....	\$13,541,000
General Fund--State Appropriation (FY 2007)	.....	\$13,798,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$27,339,000</b>

**NEW SECTION. Sec. 112. FOR THE COMMISSION ON JUDICIAL CONDUCT**

General Fund--State Appropriation (FY 2006)	.....	\$1,035,000
General Fund--State Appropriation (FY 2007)	.....	\$1,063,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$2,098,000</b>

**NEW SECTION. Sec. 113. FOR THE ADMINISTRATOR FOR THE COURTS**

General Fund--State Appropriation (FY 2006)	.....	\$18,893,000
General Fund--State Appropriation (FY 2007)	.....	\$18,991,000
Public Safety and Education Account--State Appropriation	.....	\$19,324,000
Judicial Information Systems Account--State Appropriation	.....	\$5,999,000
Trial Court Improvement Account--State Appropriation	.....	\$1,440,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$113,847,000</b>

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

(1) \$750,000 of the general fund--state appropriation for fiscal year 2006 and \$750,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for court-appointed special advocates in dependency matters. The administrator for the courts shall not retain more than six percent of total funding to cover administrative or any other agency costs.

(2) \$720,000 of the trial court improvement account--state appropriation for fiscal year 2006 and \$720,000 of the trial court improvement account--state appropriation for fiscal year 2006 are provided for the implementation of Engrossed Second Substitute House Bill No. 5454 (revising trial court funding provisions). If the bill is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(3) \$82,000 of the general fund--state appropriation for fiscal year 2006 and \$82,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of House Bill No. 1112 (creating an additional superior court position). If the bill is not enacted by June 30, 2005, the amounts in this subsection shall lapse.

(4) \$17,000 of the general fund--state appropriation for fiscal year 2006 and \$11,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of Substitute House Bill No. 1854 (driving privilege). If the bill is not enacted by June 30, 2005, the amounts in this subsection shall lapse.

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

General Fund--State Appropriation (FY 2006)	.....	\$690,000
General Fund--State Appropriation (FY 2007)	.....	\$1,078,000
Public Safety and Education Account--State Appropriation	.....	\$1,288,000
Judicial Improvement Account--State Appropriation	.....	\$8,260,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$23,316,000</b>

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

(1) \$3,500,000 of the judicial improvement account--state appropriation for fiscal year 2006 and \$3,500,000 of the judicial

improvement account--state appropriation for fiscal year 2007 are provided solely to expand the parent representation project in dependency and termination cases. If Engrossed Second Substitute Bill No. 5454 (revising trial court funding provisions) is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(2) \$630,000 of the judicial improvement account--state appropriation for fiscal year 2006 and \$630,000 of the judicial improvement account--state appropriation for fiscal year 2007 are provided for trial level indigent defense pursuant to Engrossed Second Substitute Bill No. 5454 (revising trial court funding provisions). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

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

(4) \$300,000 of the general fund--state appropriation for fiscal year 2006 and \$300,000 of the general fund--state appropriation for fiscal year 2007 are provided solely to contract with the Washington defender association to continue services previously funded from the federal drug control and system improvement formula grant through the department of community, trade, and economic development.

**NEW SECTION. Sec. 115. FOR THE OFFICE OF CIVIL LEGAL AID**

General Fund--State Appropriation (FY 2006)	.....	\$916,000
General Fund--State Appropriation (FY 2007)	.....	\$2,832,000
Public Safety and Education Account--State Appropriation	.....	\$4,701,000
Violence Reduction and Drug Enforcement Account--State Appropriation	.....	\$4,958,000
Judicial Improvement Account--State Appropriation	.....	\$3,000,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$16,407,000</b>

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

(1) \$816,000 of the general fund--state appropriation for fiscal year 2006, \$2,732,000 of the general fund--state appropriation for fiscal year 2007, \$4,701,000 of the public safety and education account--state appropriation, and \$4,958,000 of the violence reduction and drug enforcement account--state appropriation are contingent upon enactment of Substitute House Bill No. 1747 (civil legal services). If the bill is not enacted by June 30, 2005, these appropriations shall be made to the department of community, trade, and economic development and are provided solely for the purpose of civil legal services.

(2) \$3,000,000 of the judicial improvement account--state appropriation is provided for the implementation of Engrossed Second Substitute House Bill No. 5454 (revising trial court funding provisions). If the bill is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(3) \$100,000 of the general fund--state appropriation for fiscal year 2006 and \$100,000 of the general fund--state appropriation for fiscal year 2007 are contingent upon enactment of Substitute House Bill No. 1747 (civil legal services). If the bill is not enacted by June 30, 2005, the appropriation shall be made to the department of community, trade, and economic development and is provided solely for a general farm organization with members in every county of the state to develop and administer an alternative dispute resolution system for disputes between farmers and farm workers.

**NEW SECTION. Sec. 116. FOR THE OFFICE OF THE GOVERNOR**

General Fund--State Appropriation (FY 2006)	.....	\$5,680,000
General Fund--State Appropriation (FY 2007)	.....	\$5,036,000
General Fund--Federal Appropriation	.....	\$1,350,000
Water Quality Account--State Appropriation	.....	\$4,112,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$16,178,000</b>

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

(1) \$4,112,000 of the water quality account appropriation and \$1,150,000 of the general fund--federal appropriation are provided solely for the Puget Sound water quality action team to implement the

Puget Sound conservation and recovery plan action items PSAT-01 through PSAT-06.

(2) \$200,000 of the general fund--state appropriation for fiscal year 2006, \$200,000 of the general fund--state appropriation for fiscal year 2007, and \$200,000 of the general fund--federal appropriation are provided solely for one-time corrective actions to address Hood canal's dissolved oxygen problems, the Puget Sound conservation and recovery plan action item PSAT-07.

(3) As described in section 129(9) of this act, the Puget Sound water quality action team shall make recommendations and report on monitoring activities related to salmon recovery.

(4) \$386,000 of the general fund--state appropriation for fiscal year 2006 and \$158,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of House Bill No. 1152 (early learning council). If House Bill No. 1152 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(5) For the governor's funding request pursuant to RCW 74.39A.300 to be submitted to the legislature by December 20, 2006, it is the intent of the legislature to consider a fringe benefits funding request that provides health care benefits substantially equivalent in cost to those available to individual providers pursuant to chapter 25, Laws of 2003 1st sp. sess.

(6) \$100,000 of the general fund--state appropriation for fiscal year 2006 and \$100,000 of the general fund--state appropriation for fiscal year 2007 are provided solely to implement Engrossed Substitute House Bill No. 2097 (management program for Hood Canal). If Engrossed Substitute House Bill No. 2097 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

**NEW SECTION. Sec. 117. FOR THE LIEUTENANT GOVERNOR**

General Fund--State Appropriation (FY 2006)	.....	\$761,000
General Fund--State Appropriation (FY 2007)	.....	\$762,000
TOTAL APPROPRIATION	.....	\$1,523,000

**NEW SECTION. Sec. 118. FOR THE PUBLIC DISCLOSURE COMMISSION**

General Fund--State Appropriation (FY 2006)	.....	\$2,013,000
General Fund--State Appropriation (FY 2007)	.....	\$1,998,000
TOTAL APPROPRIATION	.....	\$4,011,000

The appropriations in this section are subject to the following conditions and limitations: \$66,000 of the general fund--state appropriation for fiscal year 2006 and \$56,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of House Bill No. 1226 (campaign contribution limits). If House Bill No. 1226 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

**NEW SECTION. Sec. 119. FOR THE SECRETARY OF STATE**

General Fund--State Appropriation (FY 2006)	.....	\$18,934,000
General Fund--State Appropriation (FY 2007)	.....	\$16,980,000
General Fund--Federal Appropriation	.....	\$7,025,000
General Fund--Private/Local Appropriation	.....	\$125,000
Archives and Records Management Account--State Appropriation	.....	\$8,021,000
Department of Personnel Services Account--State Appropriation	.....	\$700,000
Local Government Archives Account--State Appropriation	.....	\$1,773,000
Election Account--Federal Appropriation	.....	\$47,498,000
TOTAL APPROPRIATION	.....	\$111,060,000

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 2006 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) \$1,999,000 of the general fund--state appropriation for fiscal year 2006 and \$2,403,000 of the general fund--state appropriation for fiscal year 2007 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 2006 and \$118,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for legal advertising of state measures under RCW 29.27.072.

(4)(a) \$2,028,004 of the general fund--state appropriation for fiscal year 2006 and \$2,063,772 of the general fund--state appropriation for fiscal year 2007 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 2005-07 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 contract with the nonprofit organization to provide public affairs coverage.

(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) \$196,000 of the general fund--state appropriation for fiscal year 2006 and \$173,000 of the general fund--state appropriation for fiscal year 2007 are provided for the implementation of House Bill No. 1749 (county election procedures). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

**NEW SECTION. Sec. 120. FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS**

General Fund--State Appropriation (FY 2006)	.....	\$344,000
General Fund--State Appropriation (FY 2007)	.....	\$349,000
TOTAL APPROPRIATION	.....	\$693,000

The appropriations in this section are subject to the following conditions and limitations: The office shall assist the department of personnel on providing the government-to-government training sessions for federal, state, local, and tribal government employees. The training sessions shall 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. The department of personnel shall be responsible for all of the administrative aspects of the training, including the billing and collection of the fees for the training.

**NEW SECTION. Sec. 121. FOR THE COMMISSION ON ASIAN-PACIFIC- AMERICAN AFFAIRS**

General Fund--State Appropriation (FY 2006)	.....	\$298,000
General Fund--State Appropriation (FY 2007)	.....	\$293,000
TOTAL APPROPRIATION	.....	\$591,000

**NEW SECTION. Sec. 122. FOR THE STATE TREASURER**

State Treasurer's Service Account--State Appropriation	.....	\$13,666,000
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**NEW SECTION. Sec. 123. FOR THE STATE AUDITOR**

General Fund--State Appropriation (FY 2006) . . . . .	\$2,160,000
General Fund--State Appropriation (FY 2007) . . . . .	\$2,818,000
State Auditing Services Revolving Account--State Appropriation . . . . .	\$1,645,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$18,623,000</b>

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) \$731,000 of the general fund--state appropriation for fiscal year 2006 and \$727,000 of the general fund--state appropriation for fiscal year 2007 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) The office shall report to the office of financial management and the appropriate fiscal committees of the legislature detailed information on risk-based auditing, its theory, and its application for the audits performed on Washington state government. The report shall include an explanation of how the office identifies, measures, and prioritizes risk, the manner in which the office uses these factors in the planning and execution of the audits of Washington state government, and the methods and procedures used in the conduct of the risk-based audits themselves. The report is due no later than December 1, 2005.

(4) \$1,413,000 of the general fund--state appropriation for fiscal year 2006, \$2,091,000 of the general fund--state appropriation for fiscal year 2007, and \$2,000 of the state auditing services revolving account--state appropriation for fiscal year 2006 are provided solely for the implementation of Engrossed Substitute House Bill No. 1064 (government performance). If Engrossed Substitute House Bill No. 1064 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(5) \$16,000 of the general fund--state appropriation for fiscal year 2006 is provided for a review of special education excess cost accounting and reporting requirements. The state auditor's office shall coordinate this work with the joint legislative audit and review committee's review of the special education excess cost accounting methodology and expenditure reporting requirements. The state auditor's review shall include an examination of whether school districts are (a) appropriately implementing the excess cost accounting methodology; (b) consistently charging special education expenses to the special education and basic education programs; (c) appropriately determining the percentage of expenditures that should be charged to the special education and basic education programs; and (d) appropriately and consistently reporting special education expenditures. The results of this review will be included in the joint legislative audit and review committee's report issued in January 2006.

**NEW SECTION. Sec. 124. FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS**

General Fund--State Appropriation (FY 2006) . . . . .	\$133,000
General Fund--State Appropriation (FY 2007) . . . . .	\$202,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$335,000</b>

**NEW SECTION. Sec. 125. FOR THE ATTORNEY GENERAL**

General Fund--State Appropriation (FY 2006) . . . . .	\$5,172,000
General Fund--State Appropriation (FY 2007) . . . . .	\$5,052,000
General Fund--Federal Appropriation . . . . .	\$2,927,000
Public Safety and Education Account--State Appropriation . . . . .	\$1,239,000
New Motor Vehicle Arbitration Account--State Appropriation . . . . .	\$1,198,000
Legal Services Revolving Account--State Appropriation . . . . .	\$1,865,000
Tobacco Prevention and Control Account--State Appropriation . . . . .	\$270,000

**TOTAL APPROPRIATION . . . . . \$198,823,000**

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.

(3) \$178,000 of the legal services revolving account--state appropriation is subject to enactment of Engrossed Substitute House Bill No. 1251 (refund anticipation loans). If the bill is not enacted by June 30, 2005, the appropriations out of this account shall be made from the general fund.

**NEW SECTION. Sec. 126. FOR THE CASELOAD FORECAST COUNCIL**

General Fund--State Appropriation (FY 2006) . . . . .	\$712,000
General Fund--State Appropriation (FY 2007) . . . . .	\$695,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$1,407,000</b>

**NEW SECTION. Sec. 127. FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**

General Fund--State Appropriation (FY 2006) . . . . .	\$68,167,000
General Fund--State Appropriation (FY 2007) . . . . .	\$68,702,000
General Fund--Federal Appropriation . . . . .	\$247,903,000
General Fund--Private/Local Appropriation . . . . .	\$12,175,000
Public Safety and Education Account--State Appropriation . . . . .	\$1,552,000
Public Works Assistance Account--State Appropriation . . . . .	\$2,678,000
Tourism Development and Promotion Account Appropriation . . . . .	\$300,000
Drinking Water Assistance Administrative Account--State Appropriation . . . . .	\$213,000
Lead Paint Account--State Appropriation . . . . .	\$6,000
Building Code Council Account--State Appropriation . . . . .	\$1,103,000
Administrative Contingency Account--State Appropriation . . . . .	\$1,808,000
Low-Income Weatherization Assistance Account--State Appropriation . . . . .	\$8,359,000
Violence Reduction and Drug Enforcement Account--State Appropriation . . . . .	\$5,240,000
Manufactured Home Installation Training Account--State Appropriation . . . . .	\$236,000
Community and Economic Development Fee Account--State Appropriation . . . . .	\$1,567,000
Washington Housing Trust Account--State Appropriation . . . . .	\$1,881,000
Homeless Families Service Account--State Appropriation . . . . .	\$300,000
Public Facility Construction Loan Revolving Account--State Appropriation . . . . .	\$601,000
Mobile Home Investigation Account--State Appropriation . . . . .	\$261,000
Homeless Housing Account--State Appropriation . . . . .	\$10,350,000
Individual Development Account--State Appropriation . . . . .	\$1,021,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$455,428,000</b>

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 2006 and \$2,838,000 of the general fund--state appropriation for fiscal year 2007 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) \$5,902,000 of the general fund--federal appropriation is provided solely for the justice assistance grant program, to be distributed in state fiscal year 2006 as follows:

(a) \$2,064,000 to local units of government to continue multijurisdictional narcotics task forces;

(b) \$330,000 to the department to continue the drug prosecution assistance program in support of multijurisdictional narcotics task forces;

(c) \$675,000 to the Washington state patrol for coordination, investigative, and supervisory support to the multijurisdictional narcotics task forces and for methamphetamine education and response;

(d) \$20,000 to the department for tribal law enforcement;

(e) \$345,000 to the department to continue domestic violence legal advocacy;

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

(g) \$351,000 to the department of social and health services, division of alcohol and substance abuse, for juvenile drug courts in eastern and western Washington;

(h) \$626,000 to the department of social and health services, juvenile rehabilitation administration, to continue youth violence prevention and intervention projects;

(i) \$97,000 to the department to continue evaluation of this grant program;

(j) \$290,000 to the office of financial management for criminal history records improvement;

(k) \$580,000 to the department for required grant administration, monitoring, and reporting on justice assistance grant programs; and

(l) \$464,000 to the department for distribution to small municipalities.

These amounts represent the maximum justice assistance grant expenditure authority for each program. No program may expend justice assistance 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 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 justice assistance grant funds.

(3) \$170,000 of the general fund--state appropriation for fiscal year 2006 and \$170,000 of the general fund--state appropriation for fiscal year 2007 are provided solely to fund domestic violence legal advocacy, in recognition of reduced federal grant funding.

(4) \$28,875,000 of the general fund--state appropriation for fiscal year 2006 and \$29,941,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for providing early childhood education assistance. Of these amounts, \$1,497,000 in each fiscal year is provided solely to increase the number of children receiving education, and \$1,052,000 in fiscal year 2006 and \$2,146,000 in fiscal year 2007 are provided solely for a targeted vendor rate increase.

(5) 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.

(6) \$1,288,000 of the Washington housing trust account--state appropriation shall lapse if neither Engrossed House Bill No. 1074 nor Substitute Senate Bill No. 5108 (housing programs) are enacted by June 30, 2005.

(7) \$235,000 of the public works assistance account--state appropriation is provided solely for technical assistance to municipalities through the small communities initiative.

(8) \$725,000 of the general fund--state appropriation for fiscal year 2006 and \$725,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for food banks to obtain and distribute additional nutritious food; and purchase equipment to transport and store perishable products.

(9) \$1,154,000 of the violence reduction and drug enforcement account appropriation is provided solely for the community mobilization program to provide grants and training to community organizations.

(10) \$2,000,000 of the general fund--state appropriation for fiscal year 2007 is provided solely for the community services block grant program to replace federal funding.

(11) \$4,950,000 of the homeless housing account--state appropriation for fiscal year 2006 and \$5,400,000 of the homeless housing account--state appropriation for fiscal year 2007 are provided solely for the implementation of House Bill No. 2163 (homeless housing program). If House Bill No. 2163 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(12) \$106,000 of the general fund--state appropriation for fiscal year 2006 and \$261,000 of the mobile home investigations account--state appropriation for fiscal year 2006 are provided solely for the implementation of Engrossed Substitute House Bill No. 1640 (landlord and tenant disputes). If Engrossed Substitute House Bill No. 1640 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(13) \$404,000 of the individual development account--state appropriation for fiscal year 2006 and \$617,000 of the individual development account--state appropriation for fiscal year 2007 are provided solely for the implementation of Substitute House Bill No. 1408 (individual development account). If Substitute House Bill No. 1408 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(14) \$215,000 of the general fund--state appropriation for fiscal year 2006 is provided solely for matching funds for a federal economic development administration grant awarded to the city of Kent to conduct a feasibility study and economic analysis for the establishment of a center for advanced manufacturing.

(15) \$20,000 of the general fund--state appropriation for fiscal year 2006 is provided solely for the department to compile a report on housing stock in Washington state to identify areas of potentially high risk for child lead exposure. This report shall include an analysis of existing data regarding the ages of housing stock in specific regions and an analysis of data regarding actual lead poisoning cases, which shall be provided by the department of health's childhood lead poisoning surveillance program.

(16) \$150,000 of general fund--state appropriation for fiscal year 2006 is provided solely for the Cascade land conservancy to develop and implement a plan for regional conservation within King, Kittitas, Pierce, and Snohomish counties.

(17) \$50,000 of the general fund--state appropriation for fiscal year 2006 is provided solely for the support, including safety and security costs, of the America's freedom salute to be held in the Vancouver, Washington area.

(18) \$250,000 of the general fund--state appropriation for fiscal year 2006 and \$250,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for Snohomish county for a law enforcement and treatment methamphetamine pilot program. \$250,000 of the general fund--state appropriation for fiscal year 2006 and \$250,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for Pierce county for the extension of treatment alternatives and targeting the identification, arrest, and prosecution of perpetrators of methamphetamine-related crimes.

(19) \$50,000 of the general fund--state appropriation is provided solely for one pilot project to promote the study and implementation of safe neighborhoods through community planning.

(20) \$287,000 of the general fund--state appropriation for fiscal year 2006 and \$288,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for Walla Walla community college to establish the water and environmental studies center to provide workforce education and training, encourage innovative approaches and practices that address environmental and cultural issues, and facilitate the Walla Walla watershed alliance role in promoting communication leading to cooperative conservation efforts



that effectively address urban and rural water and environmental issues.

(21) \$50,000 of the general fund--state appropriation for fiscal year 2006 is provided solely for work with the northwest food processors association on the food processing cluster development project.

(22) \$300,000 of the general fund--state appropriation for fiscal year 2006 and \$200,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the northwest agriculture incubator project, which will support small farms in economic development.

(23) \$150,000 of the general fund--state appropriation for fiscal year 2006 is provided solely to the department of community, trade, and economic development as the final appropriation for the youth assessment center in Pierce county for activities dedicated to reducing the rate of incarceration of juvenile offenders.

(24) \$170,000 of the general fund--state appropriation for fiscal year 2006 and \$170,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of Second Substitute House Bill No. 1815 (small business incubator). \$250,000 must be distributed as grants and must be matched by an equal amount of private funds. If Second Substitute House Bill No. 1815 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(25) The department shall coordinate any efforts geared towards the 2010 Olympics with the regional effort being conducted by the Pacific northwest economic region, a statutory committee.

(26) In addition to other funds available for this purpose, \$140,000 of the public safety and education account--state appropriation is provided solely for the court-appointed special advocates program.

**NEW SECTION. Sec. 128. FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL**

General Fund--State Appropriation (FY 2006)	.....	\$568,000
General Fund--State Appropriation (FY 2007)	.....	\$503,000
TOTAL APPROPRIATION	.....	\$1,071,000

**NEW SECTION. Sec. 129. FOR THE OFFICE OF FINANCIAL MANAGEMENT**

General Fund--State Appropriation (FY 2006)	.....	\$17,004,000
General Fund--State Appropriation (FY 2007)	.....	\$15,622,000
General Fund--Federal Appropriation	.....	\$23,510,000
Public Works Assistance Account--State Appropriation	.....	\$200,000
Violence Reduction and Drug Enforcement Account--State Appropriation	.....	\$246,000
State Auditing Services Revolving Account--State Appropriation	.....	\$25,000
TOTAL APPROPRIATION	.....	\$56,607,000

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

(1) \$200,000 of the public works assistance account appropriation is provided solely for an inventory and evaluation of the most effective way to organize the state public infrastructure programs and funds. The inventory and evaluation shall be delivered to the governor and the appropriate committees of the legislature by September 1, 2005.

(2)(a) \$182,000 of the general fund--state appropriation for fiscal year 2006 is provided solely for an advisory council to study residential services for persons with developmental disabilities. The study shall identify a preferred system of services and a plan to implement the system within four years. By October 1, 2005, recommendations shall be provided on the services that best address client needs in different regions of the state, and by January 1, 2006, recommendations on the preferred system shall be complete. The advisory council may contract for specialized services to complete the study.

(b) The advisory council shall consist of thirteen members. Members appointed by the governor, include one representative from each of the governor's office, the office of financial management, the department of social and health services, the Washington state disabilities council, a labor organization, the community residential care providers, residents of residential habilitation centers,

individuals served by community residential programs, and individuals with developmental disabilities who reside or resided in residential habilitation centers. The advisory council shall also include two members of the house of representatives appointed by the speaker of the house of representatives representing the majority and minority caucuses and two members of the senate appointed by the president of the senate representing the majority and minority caucuses. Legislative members of the advisory group shall be reimbursed in accordance with RCW 44.04.120, and nonlegislative members in accordance with RCW 43.03.050 and 44.04.120. Staff support shall be provided by the department of social and health services, the developmental disabilities council, the office of financial management, the house of representatives office of program research, and senate committee services.

(3) \$1,041,000 of the general fund--state appropriation for fiscal year 2006 and \$706,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for a study that will provide an in-depth review of the policy and funding issues facing Washington's education system and will provide recommendations in the areas of finance, governance, efficiency, and accountability. The steering committee will submit findings and final recommendations by November 15, 2006.

(4) \$127,000 of the general fund--state appropriation for fiscal year 2006 and \$46,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of House Bill No. 1834 (performance measures). If Substitute House Bill No. 1834 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(5) \$160,000 of the general fund--state appropriation for fiscal year 2006 and \$79,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of Engrossed House Bill No. 2257 (state contracts). If Engrossed House Bill No. 2257 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(6) \$75,000 of the general fund--state appropriation for fiscal year 2006 is provided to the office of regulatory assistance and is subject to the following conditions and limitations:

(a) This amount is provided solely for the enhanced planning and permit pilot program; and

(b) Regulatory assistance is to select two local government planning and permitting offices to participate in an enhanced permit assistance pilot program. Such enhancement may include, but is not limited to:

(i) Creation of local and state interagency planning and permit review teams;

(ii) Use of advanced online planning and permit applications;

(iii) Using loaned executives; and

(iv) Additional technical assistance and guidance for permit applicants.

(7) \$303,000 of the general fund--state appropriation for fiscal year 2006 and \$255,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of Second Substitute House Bill No. 1970 (government management). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(8) \$250,000 of the general fund--state appropriation for fiscal year 2006 and \$250,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for implementation of Substitute Engrossed House Bill No. 1242 (budgeting outcomes and priorities). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(9) The department of ecology, the department of fish and wildlife, the department of natural resources, the conservation commission, and the interagency committee for outdoor recreation shall make recommendations to improve or eliminate monitoring activities related to salmon recovery and watershed health. The agencies shall coordinate with the governor's forum on monitoring and watershed health and consult with the office of financial management in determining the scope and contents of the report.

The agencies shall prepare a report detailing all new activity and updating all previously identified activity within the comprehensive monitoring strategy. The report shall identify the monitoring activity being performed and include: The purpose of the monitoring

activity, when the activity started, who uses the information, how often it is accessed, what costs are incurred by fund, what frequency is used to collect data, what geographic location is used to collect data, where the information is stored, and what is the current status and cost by fund source of the data storage systems.

The agencies shall provide a status report summarizing progress to the governor's forum on monitoring and watershed health and the office of financial management by March 1, 2006. A final report to the governor's monitoring forum, the office of financial management, and the appropriate legislative fiscal committees shall be submitted no later than September 1, 2006.

**NEW SECTION. Sec. 130. FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

Administrative Hearings Revolving Account--State Appropriation \$26,870,000

The appropriation in this section is subject to the following conditions and limitations: \$103,000 of the administrative hearing revolving account--state appropriation is provided solely to determine, in collaboration with other state agencies, the best mechanism of digital recording for the office of administrative hearings, the manner of conversion from tape recording to digital recording, and the purchase of digital recording devices.

**NEW SECTION. Sec. 131. FOR THE DEPARTMENT OF PERSONNEL**

Department of Personnel Service Account--State Appropriation \$9,858,000  
Higher Education Personnel Services Account--State Appropriation \$1,610,000  
TOTAL APPROPRIATION \$21,468,000

The appropriations in this section are subject to the following conditions and limitations: The department shall coordinate with the governor's office of Indian affairs on providing the government-to-government training sessions for federal, state, local, and tribal government employees. The training sessions shall 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. The department shall be responsible for all of the administrative aspects of the training, including the billing and collection of the fees for the training.

**NEW SECTION. Sec. 132. FOR THE WASHINGTON STATE LOTTERY**

Lottery Administrative Account--State Appropriation \$23,343,000

**NEW SECTION. Sec. 133. FOR THE COMMISSION ON HISPANIC AFFAIRS**

General Fund--State Appropriation (FY 2006) \$296,000  
General Fund--State Appropriation (FY 2007) \$308,000  
TOTAL APPROPRIATION \$604,000

**NEW SECTION. Sec. 134. FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS**

General Fund--State Appropriation (FY 2006) \$301,000  
General Fund--State Appropriation (FY 2007) \$295,000  
TOTAL APPROPRIATION \$596,000

**NEW SECTION. Sec. 135. FOR THE PERSONNEL APPEALS BOARD**

Department of Personnel Service Account--State Appropriation \$1,400,000

**NEW SECTION. Sec. 136. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--OPERATIONS**

Dependent Care Administrative Account--State Appropriation \$101,000  
Department of Retirement Systems Expense Account--State Appropriation \$43,806,000  
TOTAL APPROPRIATION \$44,210,000

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

(1) \$13,000 of the department of retirement systems expense account appropriation is provided solely to implement House Bill No. 1327 (purchasing service credit). If the bill is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(2) \$10,000 of the department of retirement systems expense account appropriation is provided solely to implement House Bill No. 1269 (law enforcement officers' and fire fighters' retirement system plan 2 service credit purchase). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(3) \$32,000 of the department of retirement systems expense account appropriation is provided solely to implement House Bill No. 1270 (law enforcement officers' and fire fighters' retirement system plan 2 postretirement employment). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(4) \$26,000 of the department of retirement systems expense account appropriation is provided solely to implement House Bill No. 1319 (law enforcement officers' and fire fighters' retirement system plan 1 ex-spouse benefits). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(5) \$46,000 of the department of retirement systems expense account appropriation is provided solely to implement House Bill No. 1325 (military service credit purchase). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(6) \$99,000 of the department of retirement systems expense account appropriation is provided solely to implement House Bill No. 1326 (postretirement employment). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(7) \$79,000 of the department of retirement systems expense account appropriation is provided solely to implement House Bill No. 1329 (law enforcement officers' and fire fighters' retirement system plan 1 reduced survivor benefit). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(8) \$56,000 of the department of retirement systems expense account appropriation is provided solely to implement House Bill No. 1936 (emergency medical technician membership in law enforcement officers' and fire fighters' retirement system plan 2 service). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

**NEW SECTION. Sec. 137. FOR THE STATE INVESTMENT BOARD**

State Investment Board Expense Account--State Appropriation \$15,725,000

**NEW SECTION. Sec. 138. FOR THE DEPARTMENT OF REVENUE**

General Fund--State Appropriation (FY 2006) \$87,131,000  
General Fund--State Appropriation (FY 2007) \$86,327,000  
Timber Tax Distribution Account--State Appropriation \$5,446,000  
Waste Reduction/Recycling/Litter Control--State Appropriation \$100,000  
State Toxics Control Account--State Appropriation \$69,000  
Oil Spill Prevention Account--State Appropriation \$14,000  
TOTAL APPROPRIATION \$179,091,000

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

(1) \$135,000 of the general fund--state appropriation for fiscal year 2006 and \$119,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of House Bill No. 1096 (tax expenditure reports). If House Bill No. 1096 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(2) \$11,000 of the general fund--state appropriation for fiscal year 2006 and \$11,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of Engrossed Second Substitute House Bill No. 2163 (homeless housing program). If Engrossed Second Substitute House Bill No. 2163 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

**NEW SECTION. Sec. 139. FOR THE BOARD OF TAX APPEALS**

General Fund--State Appropriation (FY 2006) \$1,350,000  
General Fund--State Appropriation (FY 2007) \$1,182,000

TOTAL APPROPRIATION . . . . . \$2,532,000

**NEW SECTION. Sec. 140. FOR THE MUNICIPAL RESEARCH COUNCIL**

County Research Services Account--State Appropriation \$787,000  
City and Town Research Services Account--State Appropriation \$1,745,000  
TOTAL APPROPRIATION . . . . . \$4,921,000

**NEW SECTION. Sec. 141. FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES**

OMWBE Enterprises Account--State Appropriation . . \$3,094,000

The appropriation in this section is subject to the following conditions and limitations: \$180,000 of the OMWBE enterprises account appropriation is provided solely for management of private sector grants and coordination of support services to small businesses in the state. It is the intent of the legislature that this amount be funded from new grant revenues and business fees.

**NEW SECTION. Sec. 142. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

General Fund--State Appropriation (FY 2006) . . . . . \$318,000  
General Fund--State Appropriation (FY 2007) . . . . . \$228,000  
General Fund--Federal Appropriation . . . . . \$3,634,000  
General Administration Service Account--State Appropriation \$1,559,000  
TOTAL APPROPRIATION . . . . . \$34,739,000

The appropriations in this section are subject to the following conditions and limitations: \$75,000 of the general fund--state appropriation for fiscal year 2006 is provided solely for the implementation of House Bill No. 1830 (alternative public works). If Engrossed Substitute House Bill No. 1830 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

**NEW SECTION. Sec. 143. FOR THE DEPARTMENT OF INFORMATION SERVICES**

Data Processing Revolving Account--State Appropriation \$3,552,000  
Public Safety and Education Account--State Appropriation \$684,000  
TOTAL APPROPRIATION . . . . . \$4,236,000

**NEW SECTION. Sec. 144. FOR THE INSURANCE COMMISSIONER**

General Fund--Federal Appropriation . . . . . \$655,000  
Insurance Commissioners Regulatory Account--State Appropriation . . . . . \$39,304,000  
TOTAL APPROPRIATION . . . . . \$39,959,000

**NEW SECTION. Sec. 145. FOR THE BOARD OF ACCOUNTANCY**

Certified Public Accountants' Account--State Appropriation \$1,931,000

**NEW SECTION. Sec. 146. FOR THE FORENSIC INVESTIGATION COUNCIL**

Death Investigations Account--State Appropriation . . . \$282,000

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

**NEW SECTION. Sec. 147. FOR THE HORSE RACING COMMISSION**

Horse Racing Commission Operating Account--State Appropriation . . . . . \$4,878,000

**NEW SECTION. Sec. 148. FOR THE LIQUOR CONTROL BOARD**

General Fund--State Appropriation (FY 2006) . . . . . \$1,528,000  
General Fund--State Appropriation (FY 2007) . . . . . \$1,521,000

Liquor Control Board Construction and Maintenance Account--State Appropriation . . . . . \$12,832,000  
Liquor Revolving Account--State Appropriation . . . \$149,624,000  
TOTAL APPROPRIATION . . . . . \$165,505,000

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

(1) As authorized 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 July 1, 2005. The intent of this surcharge is to generate additional revenues for the state general fund in the 2005-07 biennium.

(2) \$154,000 of the liquor revolving account--state appropriation is provided solely for the lease of state vehicles from the department of general administration's motor pool.

(3) \$2,228,000 of the liquor revolving account--state appropriation is provided solely for costs associated with the installation of a wide area network that connects all of the state liquor stores and the liquor control board headquarters.

(4) \$2,261,000 of the liquor revolving account--state appropriation is provided solely for replacement of essential computer equipment, improvement of security measures, and improvement to the core information technology infrastructure.

(5) \$2,800,000 of the liquor control board construction and maintenance account--state appropriation is provided solely for the certificate of participation to fund the expansion of the liquor distribution center.

(6) \$3,233,000 of the liquor revolving account--state appropriation is provided solely for upgrades to material handling system and warehouse management system software and equipment, and associated staff to increase the liquor distribution center's shipping capacity.

(7) \$2,746,000 of the liquor revolving account--state appropriation is provided solely for additional state liquor store and retail business analysis staff. The additional liquor store staff will be deployed to those stores with the greatest potential for increased customer satisfaction and revenue growth. The liquor control board, using the new retail business analysis staff and, if needed, an independent consultant, will analyze the impact of additional staff on customer satisfaction and revenue growth and make recommendations that will increase the effectiveness and efficiency of all the liquor control board's retail-related activities. Using best practices and benchmarks from comparable retail organizations, the analysis will evaluate and make recommendations, at a minimum, on the following issues: Optimal staffing levels and store locations and numbers of stores (both state liquor stores and contract liquor stores); options for an improved retail organizational structure; strategies to increase the retail decision-making capacity; and resources required for enhanced internal organizational support of the retail activities. In support of this evaluation, a survey shall be employed to gauge customer satisfaction with state and contract liquor store services. A written evaluation with recommendations shall be submitted to the governor and the legislative fiscal committees by October 1, 2006.

(8) \$715,000 of the liquor revolving account--state appropriation for fiscal year 2006 and \$720,000 of the liquor revolving account--state appropriation for fiscal year 2007 are provided solely for the implementation of House Bill No. 1379 (liquor retail business plan). If House Bill No. 1379 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

**NEW SECTION. Sec. 149. FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

Public Service Revolving Account--State Appropriation \$27,787,000  
Pipeline Safety Account--State Appropriation . . . . . \$2,827,000  
Pipeline Safety Account--Federal Appropriation . . . . . \$1,476,000  
TOTAL APPROPRIATION . . . . . \$32,090,000

**NEW SECTION. Sec. 150. FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS**

Volunteer Firefighters' and Reserve Officers' Administrative Account--State Appropriation . . . . . \$750,000

**NEW SECTION. Sec. 151. FOR THE MILITARY DEPARTMENT**

General Fund--State Appropriation (FY 2006)	.....	\$9,071,000
General Fund--State Appropriation (FY 2007)	.....	\$9,024,000
General Fund--Federal Appropriation	.....	\$165,137,000
Enhanced 911 Account--State Appropriation	.....	\$34,705,000
Disaster Response Account--State Appropriation	....	\$2,277,000
Disaster Response Account--Federal Appropriation	..	\$11,008,000
Worker and Community Right-to-Know Account--State Appropriation	.....	\$302,000
Nisqually Earthquake Account--State Appropriation	..	\$6,687,000
Nisqually Earthquake Account--Federal Appropriation	..	\$29,052,000
Military Department Rental and Lease Account--State Appropriation	.....	\$378,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$267,641,000</b>

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

(1) \$2,277,000 of the disaster response account--state appropriation and \$11,008,000 of the disaster response account--federal appropriation may be spent only on disasters declared by the governor and with the approval of the office of financial management. The military department shall 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 2005-07 biennium based on current revenue and expenditure patterns.

(2) \$6,687,000 of the Nisqually earthquake account--state appropriation and \$29,052,000 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 2005-07 biennium based on current revenue and expenditure patterns.

(3) \$127,586,000 of the general fund--federal appropriation is provided solely for homeland security, subject to the following conditions:

(a) Any communications equipment purchased by local jurisdictions or state agencies shall be consistent with standards set by the Washington state interoperability executive committee;

(b) This amount shall not be allotted until a spending plan is reviewed by the governor's domestic security advisory group and approved by the office of financial management;

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

(d) The department shall submit a report by December 1st of each year to the office of financial management and the legislative fiscal committees detailing homeland security revenues and expenditures for the previous fiscal year by county and legislative district.

(4) \$31,000 of the general fund--state appropriation for fiscal year 2006 and \$31,000 of the general fund--state appropriation for

fiscal year 2007 are provided solely for the implementation of House Bill No. 1850 (volunteer medical worker). If House Bill No. 1850 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(5) \$216,000 of the general fund--state appropriation for fiscal year 2006 and \$216,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of House Bill No. 1343 (National Guard life insurance). If House Bill No. 1343 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(6) No funds from sources other than fees from voice over internet protocol (VOIP) providers may be used to integrate VOIP 911 with E-911. Instead, any funds used for the purpose of integrating VOIP 911 with E-911 shall be collected from an appropriate fee charged to VOIP providers.

**NEW SECTION. Sec. 152. FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

General Fund--State Appropriation (FY 2006)	.....	\$2,572,000
General Fund--State Appropriation (FY 2007)	.....	\$2,574,000
Department of Personnel Service Account--State Appropriation	.....	\$2,704,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$7,850,000</b>

**NEW SECTION. Sec. 153. FOR THE GROWTH PLANNING HEARINGS BOARD**

General Fund--State Appropriation (FY 2006)	.....	\$1,567,000
General Fund--State Appropriation (FY 2007)	.....	\$1,559,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$3,126,000</b>

The appropriations in this section are subject to the following conditions and limitations: \$9,000 of the general fund--state appropriation for fiscal year 2006 and \$9,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the Western Board to relocate. If the Western Board does not relocate by June 30, 2006, the amounts provided in this subsection shall lapse.

**NEW SECTION. Sec. 154. FOR THE STATE CONVENTION AND TRADE CENTER**

State Convention and Trade Center Account--State Appropriation	.....	\$30,512,000
State Convention and Trade Center Operating Account--State Appropriation	.....	\$45,983,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$76,495,000</b>

**PART II HUMAN SERVICES**

**NEW SECTION. Sec. 201. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES.**

(1) Appropriations made in this act to the department of social and health services shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act except as expressly provided in this act, nor shall allotment modifications permit moneys that are provided solely for a specified purpose to be used for other than that purpose.

(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) 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 2005-2007 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.

(4) In accordance with RCW 74.39A.300, the appropriations to the department of social and health services in this act are sufficient to implement the compensation and fringe benefits of the collective bargaining agreement reached between the governor and the exclusive bargaining representative of individual providers of home care services.

**NEW SECTION. Sec. 202. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILDREN AND FAMILY SERVICES PROGRAM**

General Fund--State Appropriation (FY 2006) . . . . .	\$249,100,000
General Fund--State Appropriation (FY 2007) . . . . .	\$260,089,000
General Fund--Federal Appropriation . . . . .	\$423,111,000
General Fund--Private/Local Appropriation . . . . .	\$400,000
Public Safety and Education Account--State Appropriation . . . . .	\$1,461,000
Violence Reduction and Drug Enforcement Account--State Appropriation . . . . .	\$1,510,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$946,671,000</b>

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

(1) \$375,000 of the general fund--state fiscal year 2006 appropriation, \$375,000 of the general fund--state fiscal year 2007 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.

(2) \$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.

(3) 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.

(4) Within amounts 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. The department shall report annually by October 1st to the appropriate committees of the legislature on the specific efforts taken to contain costs.

(5) \$4,135,000 of the general fund--state appropriation for fiscal year 2006, \$5,665,000 of the general fund--state appropriation for fiscal year 2007, and \$3,557,000 of the general fund--federal appropriation are provided solely for reforms to the child protective services and child welfare services programs, including 30-day face-to-face contact for children in out-of-home care, improved timeliness of child protective services investigations, an enhanced in-home child welfare services program, and education specialist services. The department shall report by December 1st of each year on the implementation status of the enhancements, including the hiring of new staff, and the outcomes of the reform efforts. The information provided shall include a progress report on items in the child and family services review program improvement plan and areas identified for improvement in the Brame lawsuit settlement.

(6) Within amounts appropriated in this section, priority shall be given to proven intervention models, including evidence-based prevention and early intervention programs identified by the Washington institute for public policy and the department. The department shall include information on the number, type, and outcomes of the evidence-based programs being implemented in its reports on child welfare reform efforts.

(7) \$5,282,000 of the general fund--state appropriation for fiscal year 2007 and \$3,521,000 of the general fund--federal appropriation are provided solely for the design, development, and initial implementation of a new automated child welfare information system to replace the existing case and management information system.

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

General Fund--State Appropriation (FY 2006) . . . . .	\$75,899,000
General Fund--State Appropriation (FY 2007) . . . . .	\$76,215,000
General Fund--Federal Appropriation . . . . .	\$5,879,000
General Fund--Private/Local Appropriation . . . . .	\$1,098,000
Violence Reduction and Drug Enforcement Account--State Appropriation . . . . .	\$37,967,000
Juvenile Accountability Incentive Account--Federal Appropriation . . . . .	\$5,681,000
Reinvesting in Youth Account--State Appropriation . . . . .	\$997,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$203,583,000</b>

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

(1) \$706,000 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) \$6,156,000 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) \$1,186,000 of the general fund--state appropriation for fiscal year 2006, \$1,197,000 of the general fund--state appropriation for fiscal year 2007, and \$5,208,000 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) \$2,518,000 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) For the purposes of a pilot project, 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;

(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 comparison 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 a process evaluation to the juvenile rehabilitation administration and the family policy council by June 20, 2006, and a concluding report by June 30, 2007. 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.

(6) \$997,000 of the reinvesting in youth account--state appropriation is provided solely for the implementation of Second Substitute House Bill No. 1483 (investing in youth program). If the bill is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(7) \$16,000 of the general fund--state appropriation for fiscal year 2006 and \$16,000 of the general fund--state appropriation for fiscal year 2007 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.

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

**(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS**

General Fund--State Appropriation (FY 2006)	.....	\$254,899,000
General Fund--State Appropriation (FY 2007)	.....	\$260,942,000
General Fund--Federal Appropriation	.....	\$331,584,000
General Fund--Private/Local Appropriation	.....	\$1,970,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$849,395,000</b>

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

(a) 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.

(b) Within amounts 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 shall 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 required nonfederal share of the increased medicaid payment provided for operation of this project.

(c) \$3,100,000 of the general fund--state appropriation for fiscal year 2006 and \$3,375,000 of the general fund--state appropriation for fiscal year 2007 are provided solely to establish a base community psychiatric hospitalization payment rate. The base payment rate shall be \$400 per indigent patient day at hospitals that accept commitments under the involuntary treatment act, and \$550 per medicaid patient day at free-standing psychiatric hospitals that accept commitments under the involuntary treatment act. The department shall allocate these funds among the regional support networks to reflect projected expenditures at the enhanced payment level by hospital and region.

(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.

(e) \$2,146,000 of the general fund--state appropriation for fiscal year 2006, \$4,408,000 of the general fund--state appropriation for fiscal year 2007, and \$4,559,000 of the general fund--federal appropriation are provided solely for a vendor rate increase to regional support networks for medicaid and nonmedicaid services, to the extent that: Amounts provided in this subsection (1) to serve medicaid clients through regional support networks are sufficient to ensure compliance with federally approved actuarially sound medicaid rate ranges in every rate category. If such amounts are not sufficient to ensure compliance, funds provided in this subsection (1)(e) shall first be applied to address any noncompliant rate category; remaining amounts shall be allocated among the regional support networks by applying a uniform percentage of increase across regional support networks.

(f) \$104,500,000 of the general fund--state appropriation for fiscal year 2006 and \$104,500,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for persons and services not covered by the medicaid program, contingent upon the enactment of House Bill No. 1290 (community mental health). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse. Of these amounts:

(i) \$7,500,000 of the general fund--state appropriation for fiscal year 2006 and \$7,500,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for mental health services for mentally ill offenders while confined in a county or city jail, and for access to programs that offer mental health services upon mentally ill offenders' release from confinement. These amounts shall supplement, and not supplant, local or other funding or in-kind resources currently being used for these purposes.

(ii) \$2,500,000 of the general fund--state appropriation for fiscal year 2006 and \$2,500,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for grants for innovative mental health service delivery projects. Such projects may include, but are not limited to, clubhouse programs and projects for integrated health care and behavioral health services for general assistance recipients. These amounts shall supplement, and not supplant, local or other funding currently being used for activities funded under the projects authorized in this subsection.

(iii) \$550,000 of the general fund--state appropriation for fiscal year 2006 and \$150,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for a pilot project to provide integrated care through a long-term rehabilitation facility that specializes in caring for people with chronic mental illness.

(iv) Consistent with RCW 71.24.035(13), the department shall distribute the remaining amounts among the regional support networks as follows:

(A) The department shall determine the level of spending in each regional support network for the fiscal year 2003 and fiscal year 2004 for services in institutes for mental disease and community inpatient hospital, intensive residential, and other licensed residential facilities. Funds shall be distributed in a manner that assures continuation of

previous levels of these services in each regional support network area; and

(B) Funds remaining following the distribution in (f)(iv)(A) of this subsection shall be distributed based upon a formula that incorporates each regional support network's percentage of the state's population.

(v) To ensure that a consistent level of services are available to nonmedicaid clients across regional support networks, the department and the regional support networks shall utilize medicaid access to care standards for the nonmedicaid client population beginning November 1, 2005.

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2006)	.....	\$99,819,000
General Fund--State Appropriation (FY 2007)	.....	\$99,459,000
General Fund--Federal Appropriation	.....	\$148,250,000
General Fund--Private/Local Appropriation	.....	\$29,850,000
TOTAL APPROPRIATION	.....	\$377,378,000

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) \$3,541,000 of the general fund--state appropriation for fiscal year 2006 and \$3,410,000 of the general fund--state appropriation for fiscal year 2007 are provided solely to operate at least one more forensic ward at western state hospital than was operational in December 2004, and to employ professional staff in addition to those assigned in December 2004 to conduct outpatient evaluations of competency to stand trial.

(c) \$45,000 of the general fund--state appropriation for fiscal year 2006 and \$45,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for payment to the city of Lakewood on September 1 of each year for police services provided by the city at western state hospital and adjacent areas.

(3) CIVIL COMMITMENT

General Fund--State Appropriation (FY 2006)	.....	\$42,791,000
General Fund--State Appropriation (FY 2007)	.....	\$45,269,000
TOTAL APPROPRIATION	.....	\$88,060,000

(4) SPECIAL PROJECTS

General Fund--State Appropriation (FY 2006)	.....	\$464,000
General Fund--State Appropriation (FY 2007)	.....	\$769,000
General Fund--Federal Appropriation	.....	\$2,865,000
TOTAL APPROPRIATION	.....	\$4,098,000

The appropriations in this subsection are subject to the following conditions and limitations: \$75,000 of the general fund--state appropriation for fiscal year 2006, \$75,000 of the general fund--state appropriation for fiscal year 2007, and \$40,000 of the general fund--federal appropriation are provided solely to implement the request for proposal process required by House Bill No. 1290 (community mental health). If House Bill No. 1290 is not enacted by June 30, 2005, these amounts shall lapse.

(5) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2006)	.....	\$3,553,000
General Fund--State Appropriation (FY 2007)	.....	\$3,431,000
General Fund--Federal Appropriation	.....	\$6,529,000
TOTAL APPROPRIATION	.....	\$13,513,000

The appropriations in this subsection are subject to the following conditions and limitations: \$125,000 of the general fund--state appropriation for fiscal year 2006, \$125,000 of the general fund--state appropriation for fiscal year 2007, and \$164,000 of the general fund--federal appropriation are provided solely for the institute for public policy to continue the longitudinal analysis directed in chapter 334, Laws of 2001 (mental health performance audit), and, to the extent funds are available within these amounts, to build upon the evaluation of the impacts of chapter 214, Laws of 1999 (mentally ill offenders).

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

(1) COMMUNITY SERVICES

General Fund--State Appropriation (FY 2006)	....	\$298,721,000
General Fund--State Appropriation (FY 2007)	....	\$311,440,000
General Fund--Federal Appropriation	.....	\$504,482,000
Health Services Account--State Appropriation	.....	\$904,000
TOTAL APPROPRIATION	.....	\$1,115,547,000

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

(a) \$213,000 of the general fund--state appropriation for fiscal year 2006, \$422,000 of the general fund--state appropriation for fiscal year 2007, and \$600,000 of the general fund--federal appropriation are provided solely to increase compensation for direct care workers employed by home care agencies by 27 cents per hour on July 1, 2005, and by an additional 23 cents per hour on July 1, 2006. 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.

(b) The entire health services account appropriation and \$904,000 of the general fund--federal appropriation are provided solely for health care benefits for agency home care workers who are employed through state contracts for at least twenty hours a week.

(i) For the period of July 1, 2005, through December 31, 2005, home care agencies may obtain coverage either through the basic health plan or through an alternative plan that provides substantially equivalent benefits.

(ii) The department, in consultation with the health care authority, shall establish a health benefits purchasing cooperative for agency home care workers. The health benefits offered through the cooperative shall provide substantially equivalent benefits to the 2003 basic health plan benefits package. The cooperative shall offer coverage beginning January 1, 2006.

(iii) Beginning January 1, 2006, home care agencies must obtain coverage either through the basic health plan, the health benefits purchasing cooperative established in (b)(ii) of this subsection, or the Taft Hartley trust established in accordance with the collective bargaining agreement for individual providers of home care services.

(c) Individuals receiving family support or high school transition payments as supplemental security income (SSI) state supplemental payments shall not become eligible for medical assistance under RCW 74.09.510 due solely to the receipt of SSI state supplemental payments.

(d) \$712,000 of the general fund--state appropriation for fiscal year 2006, \$1,955,000 of the general fund--state appropriation for fiscal year 2007, and \$2,667,000 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; (ii) clients without residential services who are at immediate risk of institutionalization or in crisis; (iii) children who are aging out of other state services; (iv) children who require an out-of-home placement because of the intense level of support required to care for them in the home; and (v) current home and community-based waiver program clients who have been assessed as having an immediate need for increased services. The department shall ensure that the average cost per day for all program services other than start-up costs shall not exceed \$300. In order to maximize the number of clients served and ensure the cost-effectiveness of the waiver programs, the department will strive to limit new client placement expenditures to 90 percent of the budgeted daily rate. If this can be accomplished, additional clients may be served with excess funds provided the total projected carry-forward expenditures do not exceed the amounts estimated. 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) \$579,000 of the general fund--state appropriation for fiscal year 2006, \$1,531,000 of the general fund--state appropriation for fiscal year 2007, and \$2,110,000 of the general fund--federal appropriation are provided solely for expanded community services for persons with developmental disabilities who also have community protection issues. Funding in this subsection shall be prioritized for (i) clients being diverted or discharged from the state psychiatric hospitals; (ii) clients participating in the dangerous mentally ill offender program; (iii) clients participating in the community protection program; and (iv) mental health crisis diversion outplacements. The department shall ensure that the average cost per day for all program services other than start-up costs shall not exceed \$300. In order to maximize the number of clients served and ensure the cost-effectiveness of the waiver programs, the department will strive to limit new client placement expenditures to 90 percent of the budgeted daily rate. If this can be accomplished, additional clients may be served with excess funds if the total projected carry-forward expenditures do not exceed the amounts estimated. The department shall implement the four new waiver programs such that decisions about enrollment levels and the amount, duration, and scope of services maintain expenditures within appropriations. 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.

(f) \$900,000 of the general fund--state appropriation for fiscal year 2006 and \$2,000,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of a flexible family support pilot program for families who are providing care and support for family members with developmental disabilities. The program shall provide funding for support services such as respite care, training and counseling, assistive technologies, transition services, and assistance with extraordinary household expenses.

(i) To receive funding, an individual must: (A) Be eligible for services from the division of developmental disabilities; (B) live with his or her family; (C) not live independently or with a spouse; (D) not receive paid services through the division, including medicaid personal care and medicaid waiver services; and (E) have gross household income of less than or equal to four hundred percent of the federal poverty level.

(ii) The department shall determine individual funding awards based on the following criteria: (A) Documented need for services, with priority given to individuals in crisis or at immediate risk of needing institutional services, individuals who transition from high school without employment or day program opportunities, individuals cared for by a single parent, and individuals with multiple disabilities; (B) number and ages of family members and their relation to the individual with developmental disabilities; (C) gross annual household income; and (D) availability of state funds.

Funding awards may be made as one-time awards or on a renewable basis. Renewable awards shall be for a period of twelve months for the biennium. Awards shall be based upon the criteria provided in this subsection, but shall be within the following limits: Maximum of \$4,000 per year for an individual whose gross annual household income is up to 100 percent of the federal poverty level; maximum of \$3,000 per year for an individual whose gross annual household income is up to 200 percent of the federal poverty level; maximum of \$2,000 per year for an individual whose gross annual household income is up to 300 percent of the federal poverty level; and maximum of \$1,000 per year for an individual whose gross annual household income is up to 400 percent of the federal poverty level. Of the amounts provided in this subsection, \$150,000 of the general fund--state appropriation for fiscal year 2006 and \$300,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for one-time awards.

(iii) Eligibility for, and the amount of, renewable awards and one-time awards shall be redetermined annually and shall correspond with the application of the department's mini-assessment tool. At the end of each award period, the department must redetermine eligibility for funding, including increases or reductions in the level of funding, as appropriate.

(iv) By November 1, 2006, the department shall provide recommendations to the appropriate policy and fiscal committees of the legislature on strategies for integrating state-funded family support programs, including, if appropriate, the flexible family support pilot program, into a single program. The department shall also provide a status report on the flexible family support pilot program, which shall include the following information: The number of applicants for funding; the total number of awards; the number and amount of both annual and one-time awards, broken down by household income levels; and the purpose of the awards.

(v) The department shall manage enrollment and award levels so as to not exceed the amounts appropriated for this purpose.

(g) \$840,000 of the general fund--state appropriation for fiscal year 2006, \$1,979,000 of the general fund--state appropriation for fiscal year 2007, and \$1,219,000 of the general fund--federal appropriation are provided solely for employment and day services. Priority consideration for this new funding shall be young adults with developmental disabilities living with their family who need employment opportunities and assistance after high school graduation. Services shall be provided for both waiver and nonwaiver clients.

(h) \$1,000,000 of the general fund--state appropriation for fiscal year 2006, \$1,000,000 of the general fund--state appropriation for fiscal year 2007, and \$2,000,000 of the general fund--federal appropriation are provided for implementation of the administrative rate standardization. These amounts are in addition to any vendor rate increase adopted by the legislature.

(i) \$100,000 of the general fund--state appropriation for fiscal year 2006 is provided solely for services to community clients provided by licensed professionals at the state residential habilitation centers. The division shall submit claims for reimbursement for services provided to clients living in the community with medical assistance or third-party health coverage, as appropriate, and shall implement a system for billing clients without coverage. The department shall provide a report by December 1, 2006, to the appropriate committees of the legislature on the number of clients served, services provided, and expenditures and revenues associated with those services.

**(2) INSTITUTIONAL SERVICES**

General Fund--State Appropriation (FY 2006)	.....	\$73,857,000
General Fund--State Appropriation (FY 2007)	.....	\$73,780,000
General Fund--Federal Appropriation	.....	\$146,082,000
General Fund--Private/Local Appropriation	.....	\$12,000,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$305,719,000</b>

The appropriations in this subsection are subject to the following conditions and limitations: The developmental disabilities program is authorized to use funds appropriated in this section to purchase goods and supplies through direct contracting with vendors when the program determines it is cost-effective to do so.

**(3) PROGRAM SUPPORT**

General Fund--State Appropriation (FY 2006)	.....	\$2,398,000
General Fund--State Appropriation (FY 2007)	.....	\$1,963,000
General Fund--Federal Appropriation	.....	\$2,931,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$7,292,000</b>

The appropriations in this subsection are subject to the following conditions and limitations: \$578,000 of the general fund--state appropriation for fiscal year 2006 and \$578,000 of the general fund--federal appropriation are provided solely for the purpose of developing and implementing a consistent needs assessment instrument for use on all clients with developmental disabilities. In developing the instrument, the department shall develop a process for collecting data on family income for minor children with developmental disabilities and all individuals who are receiving state-only funded services. The department shall ensure that this information is captured as part of the client assessment process.

**(4) SPECIAL PROJECTS**

General Fund--State Appropriation (FY 2006)	.....	\$6,000
General Fund--State Appropriation (FY 2007)	.....	\$2,000



General Fund--Federal Appropriation . . . . .	\$16,597,000
TOTAL APPROPRIATION . . . . .	\$16,605,000

**NEW SECTION. Sec. 206. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--AGING AND ADULT SERVICES PROGRAM**

General Fund--State Appropriation (FY 2006) . . . . .	\$605,539,000
General Fund--State Appropriation (FY 2007) . . . . .	\$618,093,000
General Fund--Federal Appropriation . . . . .	\$1,261,251,000
General Fund--Private/Local Appropriation . . . . .	\$18,779,000
Health Services Account--State Appropriation . . . . .	\$4,888,000
TOTAL APPROPRIATION . . . . .	\$2,508,550,000

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

(1) The entire health services account appropriation, \$610,000 of the general fund--state appropriation for fiscal year 2006, \$610,000 of the general fund--state appropriation for fiscal year 2007, and \$5,552,000 of the general fund--federal appropriation are provided solely for health care benefits for agency home care workers who are employed through state contracts for at least twenty hours a week.

(a) For the period of July 1, 2005 through December 31, 2005, home care agencies may obtain coverage either through the basic health plan or through an alternative plan that provides substantially equivalent benefits.

(b) The department, in consultation with the health care authority, shall establish a health benefits purchasing cooperative for agency home care workers. The health benefits offered through the cooperative shall provide substantially equivalent benefits to the 2003 basic health plan benefits package. The cooperative shall offer coverage beginning January 1, 2006.

(c) Beginning January 1, 2006, home care agencies must obtain coverage either through the basic health plan, the health benefits purchasing cooperative established in (b) of this subsection, or the Taft Hartley trust established in accordance with the collective bargaining agreement for individual providers of home care services.

(2) For purposes of implementing chapter 74.46 RCW, the weighted average nursing facility payment rate shall not exceed \$150.55 for fiscal year 2006 and shall not exceed \$153.17 for fiscal year 2007.

(3) In accordance with chapter 74.46 RCW, the department shall issue certificates of capital authorization that result in up to \$16 million of increased asset value completed and ready for occupancy in fiscal year 2006; up to \$16 million of increased asset value completed and ready for occupancy in fiscal year 2007; and up to \$16 million of increased asset value completed and ready for occupancy in fiscal year 2008.

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

(5) In accordance with chapter 74.39 RCW, the department may implement 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 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 each of the two medically needy waivers, on monthly management reports.

(d) 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.

(6) \$1,413,000 of the general fund--state appropriation for fiscal year 2006, \$2,887,000 of the general fund--state appropriation for fiscal year 2007, and \$4,305,000 of the general fund--federal appropriation are provided solely to increase compensation for direct care workers employed by home care agencies by 27 cents per hour

on July 1, 2005, and by an additional 23 cents per hour on July 1, 2006. 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.

(7) \$1,786,000 of the general fund--state appropriation for fiscal year 2006 and \$1,804,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for operation of the volunteer chore services program.

(8) 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.

(9) \$93,000 of the general fund--state appropriation for fiscal year 2006, \$8,000 of the general fund--state appropriation for fiscal year 2007, and \$101,000 of the general fund--federal appropriation are provided solely to expand the number of boarding homes that receive exceptional care rates for persons with Alzheimer's disease and related dementias who might otherwise require nursing home care. The department may expand the number of licensed boarding home facilities that specialize in caring for such conditions by up to 85 beds in fiscal year 2006 and up to 150 beds in fiscal year 2007.

(10) \$305,000 of the general fund--state appropriation for fiscal year 2006 and \$377,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the senior farmer's market nutrition program.

(11) Within amounts appropriated in this section, the department shall develop and implement a pilot program that authorizes assisted living facilities to offer dual-occupancy accommodations to publicly-funded residents who would otherwise be placed in a skilled nursing facility or adult family home. The pilot shall include contracted assisted living facilities that are ineligible to receive capital add-on payments and whose Medicaid occupancy rates exceeded 50 percent as of December 31, 2004.

(12) \$109,000 of the general fund--state appropriation for fiscal year 2006, \$90,000 of the general fund--state appropriation for fiscal year 2007, and \$198,000 of the general fund--federal appropriation are provided solely for the implementation of Second Substitute House Bill No. 1220 (long-term care financing). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(13) \$150,000 of the general fund--state appropriation for fiscal year 2006 and \$150,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for area agencies on aging, or entities with which area agencies on aging contract, to provide a kinship navigator for grandparents and other kinship caregivers of children in both western and eastern Washington.

(a) Kinship navigator services shall include but not be limited to assisting kinship caregivers with understanding and navigating the system of services for children in out-of-home care while reducing barriers faced by kinship caregivers when accessing services.

(b) In providing kinship navigator services, area agencies on aging shall give priority to helping kinship caregivers maintain their caregiving role by helping them access existing services and supports, thus keeping children from entering foster care.

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

General Fund--State Appropriation (FY 2006) . . . . .	\$474,763,000
General Fund--State Appropriation (FY 2007) . . . . .	\$479,411,000
General Fund--Federal Appropriation . . . . .	\$1,238,190,000
General Fund--Private/Local Appropriation . . . . .	\$31,466,000
TOTAL APPROPRIATION . . . . .	\$2,223,830,000

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

(1) \$273,333,000 of the general fund--state appropriation for fiscal year 2006, \$273,333,000 of the general fund--state appropriation for fiscal year 2007, and \$1,020,292,000 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. Outcome data regarding job retention and wage progression shall be 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; and

(b) Submit a report by October 1, 2005, to the fiscal committees of the legislature containing a spending plan for the WorkFirst program. The plan shall identify how spending levels in the 2005-2007 biennium will be adjusted to stay within available federal grant levels and the appropriated state-fund levels.

(2) \$75,833,000 of the general fund--state appropriation for fiscal year 2006 and \$74,358,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for cash assistance and other services to recipients in the general assistance--unemployable program. Within these amounts:

(a) The department may expend funds for services that assist recipients to obtain employment and reduce their dependence on public assistance, provided that expenditures for these services and cash assistance do not exceed the funds provided. Mental health, substance abuse, and vocational rehabilitation services may be provided to recipients whose incapacity is not severe enough to qualify for services through a regional support network, the alcoholism and drug addiction treatment and support act, or the division of vocational rehabilitation to the extent that those services are necessary to eliminate or minimize barriers to employment;

(b) The department shall review the general assistance caseload to identify recipients that would benefit from assistance in becoming naturalized citizens, and thus be eligible to receive federal supplemental security income benefits. Those cases shall be given high priority for naturalization funding through the department; and

(c) The department shall identify general assistance recipients who are or may be eligible to receive health care coverage or services through the federal veteran's administration and assist recipients in obtaining access to those benefits.

(3) Within amounts appropriated in this section, the department shall increase the state supplemental payment by \$10 per month for SSI clients who reside in nursing facilities, residential habilitation centers, or state hospitals and who receive a personal needs allowance and decrease other state supplemental payments.

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

General Fund--State Appropriation (FY 2006) . . . . .	\$51,834,000
General Fund--State Appropriation (FY 2007) . . . . .	\$59,746,000
General Fund--Federal Appropriation . . . . .	\$108,545,000
General Fund--Private/Local Appropriation . . . . .	\$626,000
Criminal Justice Treatment Account--State Appropriation . . . . .	\$16,500,000
Violence Reduction and Drug Enforcement Account--State Appropriation . . . . .	\$48,842,000
Problem Gambling Treatment Account--State Appropriation . . . . .	\$1,000,000
Public Safety and Education Account--State Appropriation . . . . .	\$1,077,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$289,670,000</b>

The appropriations in this section are subject to the following conditions and limitations: \$1,500,000 of the problem gambling treatment account appropriation is provided solely for the program established in Engrossed Substitute House Bill No. 1031 (problem gambling). If legislation creating the account is not enacted by June 30, 2005, this amount shall lapse.

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

General Fund--State Appropriation (FY 2006) . . . . .	\$1,478,101,000
General Fund--State Appropriation (FY 2007) . . . . .	\$1,589,133,000
General Fund--Federal Appropriation . . . . .	\$4,027,385,000

General Fund--Private/Local Appropriation . . . . .	\$2,000,000
Emergency Medical Services and Trauma Care Systems Trust Account--State Appropriation . . . . .	\$15,500,000
Health Services Account--State Appropriation . . . . .	\$637,441,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$7,749,560,000</b>

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

(5) Sufficient amounts are appropriated in this section for the department to provide an adult dental benefit that is equivalent to the benefit provided in the 2003-05 biennium.

(6) In accordance with RCW 74.46.625, \$6,000,000 of the general fund--federal appropriation is provided solely for supplemental payments to nursing homes operated by public hospital districts. The public hospital district shall be responsible for providing the required nonfederal match for the supplemental payment, and the payments shall not exceed the maximum allowable under federal rules. It is the legislature's intent that the payments shall be supplemental to and shall not in any way offset or reduce the payments calculated and provided in accordance with part E of chapter 74.46 RCW. It is the legislature's further intent that costs otherwise allowable for rate-setting and settlement against payments under chapter 74.46 RCW shall not be disallowed solely because such costs have been paid by revenues retained by the nursing home from these supplemental payments.

(7) \$1,660,000 of the health services account appropriation, \$4,361,000 of the general fund--federal appropriation, \$1,350,000 of the general fund--state appropriation for fiscal year 2006, and \$1,351,000 of the general fund--state appropriation for fiscal year 2007 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.

(8) \$22,081,000 of the health services account appropriation and \$20,714,000 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.

(9) In response to the federal directive to eliminate intergovernmental transfer transactions effective June 30, 2005, the department is directed to implement the inpatient hospital certified public expenditures program for the 2005-07 biennium. The program shall apply to all public hospitals, including those owned or operated by the state, except those classified as critical access hospitals or state psychiatric institutions. Hospitals in the program shall be paid and shall retain (a) one hundred percent of the federal portion of each medicaid inpatient fee-for-service claim payable by the medical assistance administration; and (b) one hundred percent of the federal portion of the maximum disproportionate share hospital payment allowable under federal regulations. Medicaid fee-for-service claim amounts shall be established by applying the department's ratio of costs to charges payment methodology. The department shall provide

participating hospitals with the information needed by the hospital to certify the public expenditures required to qualify for the federal portions of both the medicaid inpatient fee-for-service payments and the disproportionate share hospital payments. The legislature intends that hospitals in the program receive no less in combined state and federal payments than they would have received under the methodology that was in place during fiscal year 2005. In the event that any part of the program including, but not limited to, allowable certified public expenditures, is disallowed by the federal government, the department shall not seek recoupment of payments from the hospitals, provided the hospitals have complied with the directions of the department for participation in the program. The department shall therefore make additional grant payments, not to exceed the amounts provided in this subsection, to hospitals whose total payments under the program would otherwise be less than the total state and federal payments they would have received under the methodology in effect during fiscal year 2005. \$37,034,000 of the general fund--state appropriation for fiscal year 2006, \$37,552,000 of the general fund--state appropriation for fiscal year 2007, \$8,300,000 of the emergency medical services and trauma care systems trust account--state appropriation, and \$45,450,000 of the general fund--federal appropriation are provided solely for new state grant and upper payment limit programs for the participating hospitals.

(10) \$4,372,000 of the general fund--state appropriation for fiscal year 2006, \$4,014,000 of the general fund--state appropriation for fiscal year 2007, and \$65,112,000 of the general fund--federal appropriation are provided solely for development and implementation of a replacement system for the existing medicaid management information system.

(11) \$150,000 of the general fund--state appropriation for fiscal year 2006, \$75,000 of the general fund--state appropriation for fiscal year 2007, and \$225,000 of the general fund--federal appropriation are provided solely for the department to contract for an independent analysis of the medical assistance administration's current system for establishing hospital inpatient payment rates, and for recommendations on a new or updated system. The department shall submit an interim report of study findings by December 1, 2005, and a final report by November 15, 2006. The interim report shall include a comparison of the strengths and weaknesses of the current rate-setting system relative to those used by other state, federal, and private payers, including states with all-payer hospital rate setting systems. The final report shall include recommendations on the design and implementation of a new or updated system that will promote equity among hospitals, access to quality care and improved health outcomes for patients, and cost-control and efficiency for taxpayers. The study should make use of complete and current cost data from a wide variety of hospitals, recognize unique aspects of hospital service delivery structures and medicaid payment systems in Washington, recognize impacts on productivity and quality of care that may result from hospital compensation, recruitment, and retention policies, and provide opportunities for comment and participation by key interest groups in the identification and assessment of alternatives.

(12) Payment rates for hospital inpatient and outpatient services shall be increased by an average of 1.5 percent effective July 1, 2005, and by an average of an additional 1.5 percent effective July 1, 2006. The increases shall be provided only on the portion of a hospital's rate that excludes medical education and outlier costs, and shall be allocated so that hospitals with lower costs of care (excluding medical education and outlier costs) receive larger percentage increases than those with higher costs of care. The increases shall be allocated in three percentage increments, with the lowest-cost hospitals receiving the largest percentage rate increase, highest-cost hospitals receiving the smallest percentage increase, and medium-cost hospitals receiving the average of the highest and the lowest percentage rate increase. Increases shall not be provided to those hospitals that are certified as critical access. Sufficient funds are appropriated in this section for Healthy Options contractors to increase hospital payment rates commensurate with the increases in fee-for-service payment rates.

(13) When a person is ineligible for medicaid solely by reason of residence in an institution for mental diseases, the department shall

provide the person with the same benefits as he or she would receive if eligible for medicaid, using state-only funds to the extent necessary.

(14) The medical assistance administration is authorized to use funds appropriated in this section to purchase goods and supplies through direct contracting with vendors when the administration determines it is cost-effective to do so.

(15) The legislature affirms 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.

(16) By October 1, 2005, the department shall recommend to the governor and legislature at least two pilot project designs which seem likely to reduce avoidable emergency room utilization at no net cost to the state within the projects' first eighteen months of operation.

(17) \$69,000 of the general fund--state appropriation for fiscal year 2006, \$137,000 of the general fund--state appropriation for fiscal year 2007, and \$207,000 of the general fund--federal appropriation are provided solely for participation in the health technology assessment program required in section 214(6) of this act.

(18) The department is also required to participate in the joint health purchasing project described in section 214(7) of this act.

(19) The department shall, within available resources, continue operation of the medical care services care management pilot project for clients receiving general assistance benefits in King and Pierce counties. The project may use a full or partial capitation model that includes a mechanism for shared savings. To the extent that experience with the pilot project indicates progress toward the goals of maximizing care coordination, high-risk medical management, and chronic care management to achieve better health outcomes, the department may expand the pilot project to additional counties.

(20) The department will begin voluntary enrollment of SSI and other eligible medicaid elderly and disabled persons into managed care pilots by March 2006.

(21) Within the funding provided in section 207(2) of this act, the medical assistance administration and the economic services administration may implement a time-limited transitional prescription drug benefit for general assistance unemployable recipients who obtain employment and who have no other source of health insurance coverage. The benefit shall be limited to coverage of prescription drugs and medication management. The benefit shall be limited to one year. The department shall implement a premium schedule for the benefits under this subsection that is related to the participant's income. The minimum premium shall be twenty dollars per month. Recipients of this transitional benefit shall not be considered part of the general assistance caseload unless eligibility is established under standard reapplication procedures.

**NEW SECTION. Sec. 210. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--VOCATIONAL REHABILITATION PROGRAM**

General Fund--State Appropriation (FY 2006) . . . . .	\$11,097,000
General Fund--State Appropriation (FY 2007) . . . . .	\$11,074,000
General Fund--Federal Appropriation . . . . .	\$85,662,000
General Fund--Private/Local Appropriation . . . . .	\$440,000
Telecommunications Devices for the Hearing and Speech Impaired--State Appropriation . . . . .	\$1,786,000
TOTAL APPROPRIATION . . . . .	\$110,059,000

The appropriations in this section are subject to the following conditions and limitations: The division of vocational rehabilitation shall maintain support for existing clubhouse programs at the 2003-2005 level.

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

General Fund--State Appropriation (FY 2006) . . . . .	\$31,347,000
General Fund--State Appropriation (FY 2007) . . . . .	\$27,597,000
General Fund--Federal Appropriation . . . . .	\$50,360,000
General Fund--Private/Local Appropriation . . . . .	\$810,000
Public Safety and Education Account--State Appropriation	\$20,000
Violence Reduction and Drug Enforcement Account--State Appropriation . . . . .	\$6,000,000

TOTAL APPROPRIATION . . . . . \$110,140,000

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

- (1) \$500,000 of the general fund--state appropriation for fiscal year 2006 and \$500,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for funding of the teamchild project through the governor's juvenile justice advisory committee.
- (2) \$13,000 of the general fund--state appropriation for fiscal year 2006 and \$12,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the Washington council for the prevention of child abuse and neglect to conduct a public information and outreach campaign concerning the significance, signs, and treatment of postpartum depression.
- (3) \$3,195,000 of the general fund--state appropriation for fiscal year 2006, \$639,000 of the general fund--state appropriation for fiscal year 2007, and \$3,833,000 of the general--fund federal appropriation are provided solely to implement the 2005-07 home care worker collective bargaining agreement.

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

General Fund--State Appropriation (FY 2006) . . . . .	\$46,381,000
General Fund--State Appropriation (FY 2007) . . . . .	\$46,380,000
General Fund--Federal Appropriation . . . . .	\$45,103,000
TOTAL APPROPRIATION . . . . .	\$137,864,000

**NEW SECTION. Sec. 213. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--INFORMATION SERVICES SYSTEM**

General Fund--State Appropriation (FY 2006) . . . . .	\$274,000
General Fund--State Appropriation (FY 2007) . . . . .	\$274,000
TOTAL APPROPRIATION . . . . .	\$548,000

**NEW SECTION. Sec. 214. FOR THE STATE HEALTH CARE AUTHORITY**

General Fund--Federal Appropriation . . . . .	\$2,766,000
State Health Care Authority Administrative Account--State Appropriation . . . . .	\$29,392,000
Medical Aid Account--State Appropriation . . . . .	\$171,000
Health Services Account--State Appropriation . . . . .	\$457,290,000
TOTAL APPROPRIATION . . . . .	\$489,619,000

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

- (1) Within amounts 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.
- (2) The health care authority shall require organizations and individuals which are paid to deliver basic health plan services and which choose to sponsor enrollment in the subsidized basic health plan to pay 133 percent of the premium amount which would otherwise be due from the sponsored enrollees.
- (3) 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).

(4) \$19,108,000 of the health services account--state appropriation is provided solely for funding for health care services provided through local community clinics.

(5) \$391,000 of the health services account appropriation is provided solely for implementation of House Bill No. 1219 (drug purchasing consortium). If House Bill No. 1219 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(6) \$221,000 of the health services account--state appropriation is provided solely for a health technology assessment to evaluate scientific evidence regarding current and evolving health care procedures, services and technology. The pilot shall be a joint effort of the departments of social and health services, labor and industries, corrections, and veteran's affairs and the health care authority. Upon completion of assessment of a procedure, service or technology, the agencies shall make every effort, consistent with federal and state law, to jointly decide: (a) On coverage of the procedure, service or technology by each agency, and (b) if covered, the guidelines or criteria that will be applied to medical necessity decisions.

(7) The departments of social and health services, labor and industries and the health care authority, in collaboration with affected health care providers, facilities, and contracted health plans, shall design and implement a joint health purchasing project that links payment to health care provider or facility performance, particularly where such performance is expected to improve patient outcomes or where there are wide variations in clinical practice used to treat a condition or illness. The purchasing effort shall utilize evidence-based performance measures that are designed to improve quality of care and yield measurable and significant savings. The project shall include payment mechanisms that create incentives to improve quality of care. On or before December 1, 2006, the agencies shall report to relevant policy and fiscal committees of the legislature on the status of the purchasing project, including actual and anticipated savings.

(8) \$630,000 of the health services account appropriation is provided solely for implementation of House Bill No. 2069 (small business assistance program). If House Bill No. 2069 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(9) \$750,000 of the health services account appropriation is provided solely for implementation of House Bill No. 1689 (dental residency program). If House Bill No. 1689 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(10) \$403,000 of the health services account appropriation is provided solely for implementation of House Bill No. 2060 (non-subsidized basic health plan). If House Bill No. 2060 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(11) \$250,000 of the health services account appropriation is provided solely for implementation of House Bill No. 1688 (certificate of need program). If House Bill No. 1688 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

**NEW SECTION. Sec. 215. FOR THE HUMAN RIGHTS COMMISSION**

General Fund--State Appropriation (FY 2006) . . . . .	\$2,654,000
General Fund--State Appropriation (FY 2007) . . . . .	\$2,616,000
General Fund--Federal Appropriation . . . . .	\$1,672,000
TOTAL APPROPRIATION . . . . .	\$6,942,000

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

(1) The commission shall submit a report by December 1st of each year to the office of financial management and the legislative fiscal committees detailing any changes in existing federal revenues for the remainder of the current fiscal year and changes in projections of federal revenue for the upcoming fiscal year.

(2) \$85,000 of the general fund--state appropriation for fiscal year 2006 and \$67,000 of the general fund state appropriation for fiscal year 2007 are provided solely for the implementation of House Bill No. 1515 (expanding the jurisdiction of the human rights

commission). If House Bill No. 1515 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

**NEW SECTION. Sec. 216. FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS**

Worker and Community Right-to-Know Account--State Appropriation . . . . .	\$20,000
Accident Account--State Appropriation . . . . .	\$15,895,000
Medical Aid Account--State Appropriation . . . . .	\$15,894,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$31,809,000</b>

**NEW SECTION. Sec. 217. FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

Public Safety and Education Account--State Appropriation . . . . .	\$10,076,000
Death Investigations Account--State Appropriation . . . . .	\$148,000
Municipal Criminal Justice Assistance Account--Private/Local Appropriation . . . . .	\$460,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$19,684,000</b>

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

(1) During the 2005-2007 biennium, the criminal justice training commission is authorized to raise existing fees charged for firearms certification for security guards in excess of the fiscal growth factor established pursuant to RCW 43.135.055, if necessary, to meet the actual costs of conducting the certification programs and the appropriation levels in this section.

(2) \$100,000 of the public safety and education account--state appropriation is provided solely for support of the coalition of small police agencies major crimes task force. The purpose of this task force is to pool its resources and to establish an efficient and cooperative approach in addressing major violent crimes.

(3) \$25,000 of the public safety and education account appropriation is provided solely to increase payment rates for the criminal justice training commission's contract with the Washington association of sheriffs and police chiefs.

(4) \$11,000 of the public safety and education account appropriation is provided solely to increase payment rates for the criminal justice training commission's contracted food service provider.

**NEW SECTION. Sec. 218. FOR THE DEPARTMENT OF LABOR AND INDUSTRIES**

General Fund--State Appropriation (FY 2006) . . . . .	\$7,230,000
General Fund--State Appropriation (FY 2007) . . . . .	\$7,145,000
Public Safety and Education Account--State Appropriation . . . . .	\$26,832,000
Public Safety and Education Account--Federal Appropriation . . . . .	\$10,000,000
Asbestos Account--State Appropriation . . . . .	\$782,000
Electrical License Account--State Appropriation . . . . .	\$32,269,000
Farm Labor Revolving Account--Private/Local Appropriation . . . . .	\$528,000
Worker and Community Right-to-Know Account--State Appropriation . . . . .	\$1,732,000
Public Works Administration Account--State Appropriation . . . . .	\$6,041,000
Accident Account--State Appropriation . . . . .	\$197,792,000
Accident Account--Federal Appropriation . . . . .	\$13,616,000
Medical Aid Account--State Appropriation . . . . .	\$196,473,000
Medical Aid Account--Federal Appropriation . . . . .	\$3,180,000
Plumbing Certificate Account--State Appropriation . . . . .	\$1,560,000
Pressure Systems Safety Account--State Appropriation . . . . .	\$3,089,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$504,769,000</b>

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

(1) \$700,000 of the accident account--state appropriation and \$699,000 of the medical aid account--state appropriation are provided solely for the construction of a computer system to collect data from self-insured employers and are contingent on the passage of Substitute House Bill No. 1310 (workers compensation reporting) on mandatory electronic data reporting by self-insured employers. If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(2) \$26,831,000 of the public safety and education account--state appropriation and \$10,000,000 of the public safety and

education account--federal appropriation are provided solely for the crime victims' compensation program. If the department estimates that expenditures for crime victims' compensation will exceed the appropriation, 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.

(3) \$200,000 of the medical aid account--state appropriation is provided solely to reimburse the department of agriculture for the agricultural worker pesticide handling and application training program.

(4) \$71,000 of the medical aid account--state appropriation and \$71,000 of the accident account--state appropriation for the fiscal year 2007 are provided solely for the review of payment of medical bills and authorization for medical procedures by self-insurers.

(5) The department is required to participate in the health technology assessment program required in section 214(6) of this act.

(6) The department is also required to participate in the joint health purchasing project described in section 214(7) of this act.

(7) \$110,000 of the general fund--state appropriation for fiscal year 2006 and \$84,000 of the general fund--state appropriation for fiscal year 2007 are provided for the implementation of Substitute House Bill No. 1393 (older mobile homes). If the bill is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(8) \$182,000 of the accident account--state appropriation and \$182,000 of the medical aid account--state appropriation are provided solely to expand the Spokane center of occupational health and education to include Yakima county. The Spokane center of occupational health will recruit and train approximately one hundred sixty physicians in Yakima county on best practices for occupational medicine and work with labor and business to improve quality and outcomes of medical care provided to injured workers.

(9) \$158,000 of the accident account--state appropriation and \$158,000 of the medical aid account--state appropriation are provided solely to implement Substitute House Bill No. 1856 (annual audits of the state industrial insurance fund). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

**NEW SECTION. Sec. 219. FOR THE INDETERMINATE SENTENCE REVIEW BOARD**

General Fund--State Appropriation (FY 2006) . . . . .	\$1,060,000
General Fund--State Appropriation (FY 2007) . . . . .	\$1,055,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$2,115,000</b>

**NEW SECTION. Sec. 220. FOR THE DEPARTMENT OF VETERANS AFFAIRS**

<b>(1) HEADQUARTERS</b>	
General Fund--State Appropriation (FY 2006) . . . . .	\$1,803,000
General Fund--State Appropriation (FY 2007) . . . . .	\$1,737,000
Charitable, Educational, Penal, and Reformatory Institutions Account--State Appropriation . . . . .	\$10,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$3,550,000</b>

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

(a) The department shall participate in the health technology assessment program required in section 214(6) of this act.

(b) The department shall participate in the joint health purchasing project described in section 214(7) of this act.

(c) \$25,000 of the general fund--state appropriation for fiscal year 2006 is provided for the department to conduct a feasibility study of a veterans' cemetery in eastern Washington. The study shall include location, acquisition costs, projection of continued operations costs, and revenue sources for acquisition and operations. A final report of the findings shall be submitted no later than December 15, 2005.

<b>(2) FIELD SERVICES</b>	
General Fund--State Appropriation (FY 2006) . . . . .	\$2,750,000
General Fund--State Appropriation (FY 2007) . . . . .	\$2,726,000
General Fund--Federal Appropriation . . . . .	\$318,000
General Fund--Private/Local Appropriation . . . . .	\$1,943,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$7,737,000</b>

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

(a) \$25,000 of the general fund--state appropriation for fiscal year 2006 is provided solely for the development of a public service announcement outreach campaign directed at returning veterans from Operation Iraqi Freedom and Operation Enduring Freedom.

(b) \$75,000 of the general fund--state appropriation for fiscal year 2006 and \$95,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the posttraumatic stress counseling program expansion to address the needs of veterans returning from Iraq and Afghanistan.

(3) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2006)	\$7,099,000
General Fund--State Appropriation (FY 2007)	\$6,208,000
General Fund--Federal Appropriation	\$31,799,000
General Fund--Private/Local Appropriation	\$26,454,000
TOTAL APPROPRIATION	\$71,560,000

**NEW SECTION. Sec. 221. FOR THE HOME CARE QUALITY AUTHORITY**

General Fund--State Appropriation (FY 2006)	\$1,408,000
General Fund--State Appropriation (FY 2007)	\$1,576,000
General Fund--Federal Appropriation	\$1,034,000
TOTAL APPROPRIATION	\$4,018,000

The appropriations in this section are subject to the following conditions and limitations: The legislature encourages the home care quality authority to move forward with implementation of a statewide referral registry system by use of any existing and future agency administrative moneys and by seeking other means of funding, including grants and additional funding resources.

**NEW SECTION. Sec. 222. FOR THE DEPARTMENT OF HEALTH**

General Fund--State Appropriation (FY 2006)	\$63,669,000
General Fund--State Appropriation (FY 2007)	\$63,434,000
General Fund--Federal Appropriation	\$452,484,000
General Fund--Private/Local Appropriation	\$99,739,000
Hospital Commission Account--State Appropriation	\$2,553,000
Health Professions Account--State Appropriation	\$49,943,000
Aquatic Lands Enhancement Account--State Appropriation	\$600,000
Emergency Medical Services and Trauma Care Systems Trust Account--State Appropriation	\$12,567,000
Safe Drinking Water Account--State Appropriation	\$2,838,000
Drinking Water Assistance Account--Federal Appropriation	\$1,969,000
Waterworks Operator Certification--State Appropriation	\$1,083,000
Drinking Water Assistance Administrative Account--State Appropriation	\$326,000
Water Quality Account--State Appropriation	\$3,502,000
State Toxics Control Account--State Appropriation	\$2,756,000
Medical Test Site Licensure Account--State Appropriation	\$1,752,000
Youth Tobacco Prevention Account--State Appropriation	\$1,806,000
Public Health Supplemental Account--Private/Local Appropriation	\$3,000,000
Accident Account--State Appropriation	\$266,000
Medical Aid Account--State Appropriation	\$46,000
Health Services Account--State Appropriation	\$38,083,000
Tobacco Prevention and Control Account--State Appropriation	\$726,000
Patient Safety Account--State Appropriation	\$641,000
TOTAL APPROPRIATION	\$869,984,000

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 the clandestine drug lab program, the drinking water program, radioactive materials license fees, X-ray facility registration fees, shellfish commercial paralytic shellfish poisoning fees, the water recreation program, the wastewater management program, newborn specialty clinic fees, and the midwifery program, in excess of the fiscal growth factor pursuant to RCW 43.135.055, if necessary, to meet the actual costs of conducting business and the appropriation levels in this section. However, the

department may not raise existing fees charged for the midwifery program by more than twenty percent over the biennium.

(2) \$1,363,000 of the general fund--state fiscal year 2006 appropriation, \$1,363,000 of the general fund--state fiscal year 2007 appropriation, and \$676,000 of the general fund--local appropriation are provided solely for the implementation of the Puget Sound conservation and recovery 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) \$383,000 of the general fund--state appropriation for fiscal year 2006, \$317,000 of the general fund--state appropriation for fiscal year 2007, and \$600,000 of the aquatic lands enhancement account appropriation are provided solely for the implementation of House Bill No. 1458 (on-site sewage/marine areas). The funds are provided to assist counties in marine areas complete on-site sewage system management plans and electronic data bases to inventory on-site sewage systems. If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(5) \$60,000 of the health professions account appropriation is provided solely for implementation of House Bill No. 1316 (prescription importation). If House Bill No. 1316 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(6) \$474,000 of the health professions account appropriation is provided solely for implementation of House Bill No. 2266 (precursor drugs). If House Bill No. 2266 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(7) \$125,000 of the health professions account appropriation is provided solely for implementation of House Bill No. 1850 (volunteer medical worker). If House Bill No. 1850 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(8) \$82,000 of the health professions account appropriation is provided solely for implementation of House Bill No. 1194 (prescription drug reimportation). If House Bill No. 1194 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(9) \$42,000 of the health professions account appropriation is provided solely for implementation of House Bill No. 1168 (prescription reimportation). If House Bill No. 1168 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(10) \$90,000 of the general fund--state appropriation for fiscal year 2006 and \$65,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for implementation of House Bill No. 1516 (health services for children). If House Bill No. 1516 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(11) \$641,000 of the patient safety account appropriation is provided solely for implementation of House Bill No. 1291 (patient safety practices). If House Bill No. 1291 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(12) \$179,000 of the general fund--state appropriation for fiscal year 2006 and \$144,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for implementation of House Bill No. 1268 (stem cell research). If House Bill No. 1268 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(13) \$100,000 of the general fund--state appropriation for fiscal year 2006 and \$200,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the department to implement

a multi-year pilot project covering Adams, Chelan, Douglas, Grant and Franklin counties for persons with household income at or below 200 percent of the federal poverty level who are ineligible for family planning services through the medicaid program. Individuals who will be served under the pilot program include women who have never been pregnant, are not currently pregnant, or are beyond the family planning extension period allowed for first steps program eligibility. It is anticipated that the pilot program will serve approximately 500 women annually. The department will provide a preliminary report to the appropriate committees of the legislature by January 1, 2006, and a final report by January 1, 2007.

(14) \$168,000 of the health services account--state appropriation for fiscal year 2006 is provided solely for the department to offer parents and providers a choice between newly available combination vaccines and corresponding single-antigen equivalents currently purchased by the department. The department shall offer the choice on a phased-in basis.

(15) \$462,000 of the general fund--private/local appropriation is provided solely to support specialty clinics that provide treatment services to children that are identified with one of the five heritable or metabolic disorders added to the newborn screening panel by the state board of health in 2003.

(16) Within the amounts provided in this section, the department shall implement Substitute House Bill No. 1282 (healthy youth act).

(17) \$125,000 of the general fund--state appropriation for fiscal year 2006 and \$125,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the farmers' market nutrition program of the special supplemental nutrition program for women, infants and children. It is anticipated that these funds will enable the department to expand 2004 participation levels by 8,000 persons annually.

(18) The department of health shall develop, in consultation with the department of revenue, the department of social and health services, and the health care authority, a program to provide business and occupation tax credits for physicians who serve uninsured, medicare, and medicaid patients in a private practice or a reduced fee access program for the uninsured and shall submit proposed legislation to the legislature by December 15, 2005. The program must relate the amount of any tax credit to the extent to which a provider serves uninsured, medicare, and medicaid patients, such that providers who serve the greatest number of uninsured, medicare, and medicaid patients receive the greatest tax credit. The program also should recommend a minimum threshold of uninsured, medicare, or medicaid patients that a provider must serve in order to qualify for the tax credit.

(19) \$100,000 of the general fund--state appropriation for fiscal year 2006 and \$100,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the infertility prevention project to implement effective prevention strategies designed to reduce the prevalence of chlamydia and gonorrhea and their potentially debilitating complications.

**NEW SECTION. Sec. 223. FOR THE DEPARTMENT OF CORRECTIONS**

**(1) ADMINISTRATION AND SUPPORT SERVICES**

General Fund--State Appropriation (FY 2006) . . . . .	\$51,563,000
General Fund--State Appropriation (FY 2007) . . . . .	\$51,191,000
General Fund--Federal Appropriation . . . . .	\$1,022,000
Violence Reduction and Drug Enforcement Account--State Appropriation . . . . .	\$26,000
Public Safety and Education Account--State Appropriation . . . . .	\$656,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$106,458,000</b>

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

(a) \$11,250,000 of the general fund--state appropriation for fiscal year 2006 and \$11,250,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for phase three of the department's offender-based tracking system replacement project. These amounts are conditioned on the department satisfying the requirements of section 902 of this act.

(b) \$562,000 of the general fund--state appropriation for fiscal year 2006 and \$384,000 of the general fund--state appropriation for

fiscal year 2007 are provided solely for the implementation of House Bill No. 2016 (drug offender confinement). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(c) \$26,000 of the general fund--state appropriation for fiscal year 2006 and \$44,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of Substitute House Bill No. 1402 (offender travel or transfer). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

**(2) CORRECTIONAL OPERATIONS**

General Fund--State Appropriation (FY 2006) . . . . .	\$495,418,000
General Fund--State Appropriation (FY 2007) . . . . .	\$492,954,000
General Fund--Federal Appropriation . . . . .	\$4,422,000
Violence Reduction and Drug Enforcement Account--State Appropriation . . . . .	\$2,984,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$995,778,000</b>

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

(a) 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 work release beds in facilities throughout the state for \$8,561,000.

(b) 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.

(c) 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.

(d) The department 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.

(e) During the 2005-07 biennium, when contracts are established or renewed for offender pay phone and other telephone services provided to inmates, the department shall select the contractor or contractors primarily based on the following factors: (i) The lowest rate charged to both the inmate and the person paying for the telephone call; and (ii) the lowest commission rates paid to the department, while providing reasonable compensation to cover the costs of the department to provide the telephone services to inmates and provide sufficient revenues for the activities funded from the institutional welfare betterment account.

(f) \$14,000 of the general fund--state appropriation for fiscal year 2006 and \$27,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for participation in the health technology assessment program required in section 214(6) of this act. The department shall also participate in the joint health purchasing project described in section 214(7) of this act.

(g) \$21,000 of the general fund--state appropriation for fiscal year 2006 and \$322,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of House Bill No. 1966 (identity theft). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(h) The Harborview medical center shall provide inpatient and outpatient hospital services to offenders confined in department of corrections facilities at a rate no greater than the average rate that the department has negotiated with other community hospitals in Washington state.

**(3) COMMUNITY SUPERVISION**

General Fund--State Appropriation (FY 2006) . . . . .	\$83,766,000
General Fund--State Appropriation (FY 2007) . . . . .	\$83,435,000
Public Safety and Education Account--State Appropriation . . . . .	\$1,989,000

TOTAL APPROPRIATION . . . . . \$183,190,000

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

(a) The department 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) \$268,000 of the general fund--state appropriation for fiscal year 2006 and \$484,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of Substitute House Bill No. 1402 (offender travel or transfer). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(c) \$3,048,000 of the general fund--state appropriation for fiscal year 2006 and \$5,533,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of House Bill No. 2016 (drug offender confinement). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(d) \$122,000 of the general fund--state appropriation for fiscal year 2006 and \$82,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of House Bill No. 1136 (electronic monitoring system). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(e) \$16,000 of the general fund--state appropriation for fiscal year 2006 and \$232,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of House Bill No. 1966 (identity theft). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(f) \$75,000 of the general fund--state appropriation for fiscal year 2006 and \$75,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the department of corrections to contract with the institute for public policy for responsibilities assigned in chapter 196, Laws of 1999 (offender accountability act) and sections 7 through 12 of chapter 197, Laws of 1999 (drug offender sentencing).

**(4) CORRECTIONAL INDUSTRIES**

General Fund--State Appropriation (FY 2006) . . . . . \$831,000  
General Fund--State Appropriation (FY 2007) . . . . . \$867,000  
TOTAL APPROPRIATION . . . . . \$1,698,000

The appropriations in this subsection are subject to the following conditions and limitations: \$110,000 of the general fund--state appropriation for fiscal year 2006 and \$110,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for transfer to the jail industries board. The board shall use the amounts provided only for administrative expenses, equipment purchases, and technical assistance associated with advising cities and counties in developing, promoting, and implementing consistent, safe, and efficient offender work programs.

**(5) INTERAGENCY PAYMENTS**

General Fund--State Appropriation (FY 2006) . . . . . \$33,839,000  
General Fund--State Appropriation (FY 2007) . . . . . \$33,838,000  
TOTAL APPROPRIATION . . . . . \$67,677,000

**NEW SECTION. Sec. 224. FOR THE DEPARTMENT OF SERVICES FOR THE BLIND**

General Fund--State Appropriation (FY 2006) . . . . . \$1,872,000  
General Fund--State Appropriation (FY 2007) . . . . . \$1,898,000  
General Fund--Federal Appropriation . . . . . \$15,076,000  
General Fund--Private/Local Appropriation . . . . . \$80,000  
TOTAL APPROPRIATION . . . . . \$18,926,000

**NEW SECTION. Sec. 225. FOR THE SENTENCING GUIDELINES COMMISSION**

General Fund--State Appropriation (FY 2006) . . . . . \$846,000  
General Fund--State Appropriation (FY 2007) . . . . . \$835,000  
TOTAL APPROPRIATION . . . . . \$1,681,000

**NEW SECTION. Sec. 226. FOR THE EMPLOYMENT SECURITY DEPARTMENT**

General Fund--State Appropriation (FY 2006) . . . . . \$60,000  
General Fund--State Appropriation (FY 2007) . . . . . \$60,000  
General Fund--Federal Appropriation . . . . . \$257,246,000  
General Fund--Private/Local Appropriation . . . . . \$30,964,000  
Unemployment Compensation Administration Account--Federal Appropriation . . . . . \$189,223,000  
Administrative Contingency Account--State Appropriation . . . . . \$14,629,000  
Employment Service Administrative Account--State Appropriation . . . . . \$20,871,000  
TOTAL APPROPRIATION . . . . . \$516,012,000

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

(1) \$2,087,000 of the unemployment compensation administration account--federal appropriation is provided from amounts made available to the state by section 903(d) of the Social Security Act (Reed Act). This amount is provided to replace obsolete information technology infrastructure.

(2) \$12,735,000 of the unemployment compensation administration account--federal appropriation is provided from amounts made available to the state by section 903(d) of the Social Security Act (Reed Act). This amount is authorized for state choice administrative functions. The department shall submit recommendations by September 1, 2007, to the office of financial management and the legislative fiscal committees for options reducing the costs of the state choice administrative functions for the 2007-2009 biennium. If these options require any statutory changes, the department shall submit agency request legislation to the appropriate legislative policy committees and fiscal committees by December 15, 2007.

(3) \$2,300,000 of the unemployment compensation administration account--federal appropriation is provided from amounts made available to the state by section 903(d) of the Social Security Act (Reed Act). This amount is authorized to continue implementation of chapter 4, Laws of 2003 2nd sp. sess. and for implementation costs relating to Engrossed House Bill No. 2255 (unemployment insurance).

**PART III  
NATURAL RESOURCES**

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

General Fund--State Appropriation (FY 2006) . . . . . \$466,000  
General Fund--State Appropriation (FY 2007) . . . . . \$469,000  
General Fund--Private/Local Appropriation . . . . . \$845,000  
TOTAL APPROPRIATION . . . . . \$1,780,000

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

General Fund--State Appropriation (FY 2006) . . . . . \$40,136,000  
General Fund--State Appropriation (FY 2007) . . . . . \$38,922,000  
General Fund--Federal Appropriation . . . . . \$72,286,000  
General Fund--Private/Local Appropriation . . . . . \$13,225,000  
Special Grass Seed Burning Research Account--State Appropriation . . . . . \$14,000  
Reclamation Account--State Appropriation . . . . . \$2,531,000  
Flood Control Assistance Account--State Appropriation . . . . . \$2,042,000  
State Emergency Water Projects Revolving Account--State Appropriation . . . . . \$2,531,000  
Waste Reduction/Recycling/Litter Control--State Appropriation . . . . . \$4,780,000  
State Drought Preparedness Account--State Appropriation . . . . . \$157,000  
State and Local Improvements Revolving Account (Water Supply Facilities)--State Appropriation . . . . . \$342,000  
Vessel Response Account--State Appropriation . . . . . \$2,876,000  
Site Closure Account--State Appropriation . . . . . \$725,000  
Water Quality Account--State Appropriation . . . . . \$27,530,000  
Wood Stove Education and Enforcement Account--State Appropriation . . . . . \$357,000  
Worker and Community Right-to-Know Account--State Appropriation . . . . . \$2,053,000  
State Toxics Control Account--State Appropriation . . . . . \$80,849,000



State Toxics Control Account--Private/Local Appropriation	\$363,000
Local Toxics Control Account--State Appropriation . . .	\$5,089,000
Water Quality Permit Account--State Appropriation . .	\$30,783,000
Underground Storage Tank Account--State Appropriation	\$2,794,000
Environmental Excellence Account--State Appropriation	\$504,000
Biosolids Permit Account--State Appropriation . . . . .	\$815,000
Hazardous Waste Assistance Account--State Appropriation	\$963,000
Air Pollution Control Account--State Appropriation . .	\$11,103,000
Oil Spill Prevention Account--State Appropriation . . .	\$9,885,000
Air Operating Permit Account--State Appropriation . .	\$2,507,000
Freshwater Aquatic Weeds Account--State Appropriation	\$2,519,000
Oil Spill Response Account--State Appropriation . . . . .	\$7,078,000
Metals Mining Account--State Appropriation . . . . .	\$14,000
Water Pollution Control Revolving Account--State Appropriation	\$321,000
Water Pollution Control Revolving Account--Federal Appropriation	\$1,913,000
Commercial Passenger Vessel Enforcement Account--State Appropriation . . . . .	\$124,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$382,212,000</b>

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

(1) \$2,526,196 of the general fund--state appropriation for fiscal year 2006, \$2,526,195 of the general fund--state appropriation for fiscal year 2007, \$366,000 of the general fund--federal appropriation, \$2,581,000 of the state toxics account--state appropriation, \$540,806 of the water quality account--state appropriation, \$3,748,220 of the water quality permit account--state appropriation, and \$705,000 of the oil spill prevention account are provided solely for the implementation of the Puget Sound conservation and recovery plan and agency action items DOE-01, DOE-02, DOE-04, DOE-06, DOE-07, DOE-08, and DOE-09.

(2) \$375,000 of the general fund--state appropriation for fiscal year 2006 and \$375,000 of the general fund--state appropriation for fiscal year 2007 are provided solely to negotiate agreements to secure water as part of the Columbia river initiative program. Of this amount, \$210,000 is provided to the department of fish and wildlife to determine impacts on fish from changes in water storage at Lake Roosevelt.

(3) \$661,000 of the reclamation account--state appropriation is provided solely to implement House Bill No. 1939 (well construction). If the bill is enacted by June 30, 2005, \$150,000 from the general fund--state appropriation for fiscal year 2006 and \$150,000 from the general fund--state appropriation for fiscal year 2007 provided in this section shall lapse. If the bill is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(4) \$1,403,000 of the state toxics control account--state appropriation is provided solely to complete the polybrominated diphenyl ether (PBDE) chemical action plan and to reduce persistent bioaccumulative toxics from the environment. Upon completion of the PBDE chemical action plan, the department may request funding to implement the plan.

(5) \$200,000 of the water quality account--state appropriation is provided solely for the department to contract with the state conservation commission to provide statewide coordination and support for coordinated resource management.

(6) \$156,000 of the general fund--state appropriation for fiscal year 2006 and \$144,000 of the general fund--state appropriation for fiscal year 2007 are provided solely to expand the department's pilot program for processing 401 water quality certification projects to a statewide process and timeline to meet improved permit processing accountability and timelines, which will result in 90 percent of routine certifications occurring within 90 days of application, and acknowledgement of receipt of the application being sent within 10 days.

(7) \$250,000 of the state toxics control account--state appropriation is provided solely to implement Engrossed Second Substitute House Bill No. 1605 (soil contamination). If the bill is not enacted by June 30, 2005, the amount in this subsection shall lapse.

(8) \$147,000 of the general fund--state appropriation for fiscal year 2006 and \$146,000 of the general fund--state appropriation for fiscal year 2007 are provided solely to implement Engrossed Second Substitute House Bill No. 1415 (commercial passenger vessels). If

the bill is not enacted by June 30, 2005, the amounts in this subsection shall lapse.

(9) As described in section 129(9) of this act, the department shall make recommendations and report on monitoring activities related to salmon recovery.

(10) \$4,054,000 of the state toxics control account appropriation is provided solely for methamphetamine lab clean-up activities.

(11) \$170,000 of the oil spill prevention account appropriation is provided solely for implementation of the Puget Sound conservation and recovery plan action item UW-02 through a contract with the University of Washington's sea grant program to continue an educational program targeted to small spills from commercial fishing vessels, ferries, cruise ships, ports, and marinas.

(12) \$2,500,000 of the general fund--state appropriation for fiscal year 2006 and \$2,000,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for shoreline grants to local governments to implement Substitute Senate Bill No. 6012 (shoreline management), chapter 262, Laws of 2003.

(13) Fees approved by the department of ecology in the 2005-07 biennium are authorized to exceed the fiscal growth factor under RCW 43.135.055.

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

General Fund--State Appropriation (FY 2006) . . . . .	\$32,315,000
General Fund--State Appropriation (FY 2007) . . . . .	\$31,239,000
General Fund--Federal Appropriation . . . . .	\$2,697,000
General Fund--Private/Local Appropriation . . . . .	\$66,000
Winter Recreation Program Account--State Appropriation	\$1,092,000
Off Road Vehicle Account--State Appropriation . . . . .	\$189,000
Snowmobile Account--State Appropriation . . . . .	\$4,797,000
Aquatic Lands Enhancement Account--State Appropriation	\$340,000
Public Safety and Education Account--State Appropriation	\$47,000
Parks Renewal and Stewardship Account--State Appropriation	\$379,000
Parks Renewal and Stewardship Account--Private/Local Appropriation . . . . .	\$300,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$110,993,000</b>

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 2005-07 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 2006 and \$79,000 of the general fund--state appropriation for fiscal year 2007 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 conservation and recovery plan and agency action item PRC-02.

(4) \$185,000 of the parks renewal and stewardship account--state appropriation is provided solely to develop a plan for public education and interpretation at selected state park sites along the route of the ice age floods from Spokane to the Pacific Ocean.

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

General Fund--State Appropriation (FY 2006) . . . . .	\$1,400,000
General Fund--State Appropriation (FY 2007) . . . . .	\$1,410,000
General Fund--Federal Appropriation . . . . .	\$18,341,000
General Fund--Private/Local Appropriation . . . . .	\$250,000
Aquatic Lands Enhancement Account--State Appropriation	\$254,000
Water Quality Account--State Appropriation . . . . .	\$200,000
Firearms Range Account--State Appropriation . . . . .	\$24,000
Recreation Resources Account--State Appropriation . .	\$3,006,000
NOVA Program Account--State Appropriation . . . . .	\$809,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$25,694,000</b>

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

(1) \$16,025,000 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) As described in section 129(9) of this act, the department shall make recommendations and report on monitoring activities related to salmon recovery.

(3) \$125,000 of the general fund--state appropriation for fiscal year 2006 and \$125,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the biodiversity strategy.

(4) \$20,000 of the general fund--state appropriation for fiscal year 2006 and \$20,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for coordination of federal, state, tribal, local, and private aquatic monitoring efforts. The department shall provide a memorandum to the office of financial management and legislative fiscal committees in January of every year which specifies performance measures to reduce redundancy, increase efficiency, and help meet the goals and objectives of the various entities involved in monitoring and if these performance measures were met.

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

General Fund--State Appropriation (FY 2006)	.....	\$1,060,000
General Fund--State Appropriation (FY 2007)	.....	\$1,053,000
TOTAL APPROPRIATION	.....	\$2,113,000

**NEW SECTION. Sec. 306. FOR THE CONSERVATION COMMISSION**

General Fund--State Appropriation (FY 2006)	.....	\$2,229,000
General Fund--State Appropriation (FY 2007)	.....	\$2,237,000
Water Quality Account--State Appropriation	.....	\$4,149,000
TOTAL APPROPRIATION	.....	\$8,615,000

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

(1) \$197,000 of the general fund--state appropriation for fiscal year 2006 and \$197,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of the Puget Sound conservation and recovery plan and agency action item CC-01.

(2) As described in section 129(9) of this act, the department shall make recommendations and report on monitoring activities related to salmon recovery.

(3) \$100,000 of the general fund--state appropriation for fiscal year 2006 and \$100,000 of the general fund--state appropriation for fiscal year 2007 are provided solely to implement Substitute House Bill No. 1462 (funding conservation districts). If the bill is not enacted by June 30, 2005, the amounts provided in this section shall lapse.

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

General Fund--State Appropriation (FY 2006)	.....	\$43,756,000
General Fund--State Appropriation (FY 2007)	.....	\$42,622,000
General Fund--Federal Appropriation	.....	\$41,449,000
General Fund--Private/Local Appropriation	.....	\$35,329,000
Off Road Vehicle Account--State Appropriation	.....	\$387,000
Aquatic Lands Enhancement Account--State Appropriation	.....	\$7,110,000
Public Safety and Education Account--State Appropriation	.....	\$566,000
Recreational Fisheries Enhancement--State Appropriation	.....	\$3,481,000
Warm Water Game Fish Account--State Appropriation	.....	\$2,839,000
Eastern Washington Pheasant Enhancement Account--State Appropriation	.....	\$750,000
Wildlife Account--State Appropriation	.....	\$57,340,000
Wildlife Account--Federal Appropriation	.....	\$30,250,000
Wildlife Account--Private/Local Appropriation	.....	\$10,296,000
Game Special Wildlife Account--State Appropriation	.....	\$2,119,000
Game Special Wildlife Account--Federal Appropriation	.....	\$8,799,000
Game Special Wildlife Account--Private/Local Appropriation	.....	\$68,000
Environmental Excellence Account--State Appropriation	.....	\$15,000
Regional Fisheries Salmonid Recovery Account--Federal Appropriation	.....	\$1,754,000
Oil Spill Prevention Account--State Appropriation	.....	\$1,010,000
Recreation Resources Account--State Appropriation	.....	\$36,000

Oyster Reserve Land Account--State Appropriation	...	\$411,000
TOTAL APPROPRIATION	.....	\$289,377,000

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

(1) \$1,556,714 of the general fund--state appropriation for fiscal year 2006 and \$1,556,713 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of the Puget Sound conservation and recovery plan and agency action items DFW-01 through DFW-06, DFW-08 through DFW-12, and DFW-16.

(2) As described in section 129(9) of this act, the department shall make recommendations and report on monitoring activities related to salmon recovery.

(3) \$225,000 of the general fund--state appropriation for fiscal year 2006, \$225,000 of the general fund--state appropriation for fiscal year 2007, and \$550,000 of the wildlife account--state appropriation are provided solely for the implementation of hatchery reform recommendations defined by the hatchery scientific review group.

(4) 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.

(5) 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.

(6) 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.

(7) \$180,000 of the wildlife account--state appropriation is provided solely to test deer and elk for chronic wasting disease and to document the extent of swan lead poisoning. Of this amount, \$65,000 is provided solely to document the extent of swan lead poisoning and to begin environmental cleanup.

(8) The department shall provide quarterly status reports to the office of financial management regarding the replacement of the Washington interactive licensing system and the implementation of the hydraulic permit management system.

(9) Prior to the department entering into any agreement relating to the disposal, sale, lease, or transfer of property identified within the 2003 legislatively authorized report "Thurston county property functions, operations & valuations analysis," the department shall notify the director of financial management and the chairs of the senate committee on ways and means, the house of representatives committee on appropriations, and the house of representatives capital budget committee.

(10) The department shall prepare a report detailing the hydraulic permit approval program applications and project types. The department shall coordinate with the office of financial management in determining the contents of the report. At minimum, the report shall include permits by applicant (name, state, local, federal, tribal entity, etc.), project type (pamphlet, minor, medium, major, extension, revision, etc.) and project location (county and water resource inventory area). The department shall submit the report to the office of financial management and legislative fiscal committees no later than September 1, 2006.

(11) \$400,000 of the wildlife account--state appropriation is provided solely for information technology and software licenses, which must be compatible with statewide systems and software.

(12) \$50,000 of the wildlife account--state appropriation is provided solely for reimbursements for damage to commercial livestock caused by cougars.

(13) \$10,000 of the general fund--state appropriation for fiscal year 2006 and \$10,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for chum salmon production at Minter creek hatchery.

(14) \$45,000 of the general fund--federal appropriation for fiscal year 2006 and \$45,000 of the general fund--federal appropriation for

fiscal year 2007 are provided solely for the management of Canada goose seasons to increase the number of hunting days in southwest Washington.

(15) \$46,000 of the wildlife account--state appropriation is provided solely to increase the number of courses providing the hunter education training program created in RCW 77.32.155. The department shall reduce the current backlog of applicants waiting to take the training program and provide for a stable supply of training program courses in order to avoid future backlogs.

(16) \$398,000 of the fish and wildlife reward account--state appropriation is provided solely to implement Engrossed Substitute House Bill No. 1696 (fish and wildlife violations). If the bill is not enacted by June 30, 2005, the amount provided in this section shall lapse.

(17) \$72,000 of the state wildlife account--state appropriation is provided solely to implement House Bill No. 1211 (multiple season big game permit). If the bill is not enacted by June 30, 2005, the amount provided in this section shall lapse.

**NEW SECTION. Sec. 308. FOR THE DEPARTMENT OF NATURAL RESOURCES**

General Fund--State Appropriation (FY 2006) . . . . .	\$47,529,000
General Fund--State Appropriation (FY 2007) . . . . .	\$40,953,000
General Fund--Federal Appropriation . . . . .	\$15,073,000
General Fund--Private/Local Appropriation . . . . .	\$1,257,000
Forest Development Account--State Appropriation . . . . .	\$52,909,000
Off Road Vehicle Account--State Appropriation . . . . .	\$3,796,000
Surveys and Maps Account--State Appropriation . . . . .	\$2,301,000
Aquatic Lands Enhancement Account--State Appropriation . . . . .	\$2,234,000
Resources Management Cost Account--State Appropriation . . . . .	\$3,088,000
Surface Mining Reclamation Account--State Appropriation . . . . .	\$1,791,000
Disaster Response Account--State Appropriation . . . . .	\$5,000,000
Water Quality Account--State Appropriation . . . . .	\$2,554,000
Aquatic Land Dredged Material Disposal Site Account--State Appropriation . . . . .	\$647,000
Natural Resources Conservation Areas Stewardship Account--State Appropriation . . . . .	\$34,000
State Toxics Control Account--State Appropriation . . . . .	\$2,155,000
Air Pollution Control Account--State Appropriation . . . . .	\$540,000
Nonhighway and Off Road Vehicle Program Account--State Appropriation . . . . .	\$852,000
Derelict Vessel Removal Account--State Appropriation . . . . .	\$1,132,000
Agricultural College Trust Management Account--State Appropriation . . . . .	\$1,903,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$261,748,000</b>

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 2006, \$18,000 of the general fund--state appropriation for fiscal year 2007, and \$1,652,050 of the aquatic lands enhancement account appropriation are provided solely for the implementation of the Puget Sound conservation and recovery plan and agency action items DNR-01 and DNR-02.

(2) As described in section 129(9) of this act, the department shall make recommendations and report on monitoring activities related to salmon recovery.

(3) \$953,000 of the general fund--state appropriation for fiscal year 2006 and \$950,000 of the general fund--state appropriation for fiscal year 2007 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.

(4) \$10,635,000 of the general fund--state appropriation for fiscal year 2006, \$13,635,000 of the general fund--state appropriation for fiscal year 2007, and \$5,000,000 of the disaster response account--state appropriation are provided solely for emergency fire suppression. Of these amounts, up to \$250,000 may be expended for staff and other necessary resources to design and implement a fire data-collection system that includes financial- and performance-management information for fires over 10 acres in size.

None of the general fund and disaster response account amounts provided in this subsection may be used to fund agency indirect and

administrative expenses. Agency indirect and administrative costs shall be allocated among the agency's remaining accounts and appropriations.

(5) \$138,000 of the resource management cost account--state appropriation is provided solely to implement Engrossed Second Substitute House Bill No. 1896 (geoduck harvest). If the bill is not enacted by June 30, 2005, the amount in the subsection shall lapse.

(6) \$582,000 of the aquatic lands enhancement account appropriation is provided solely for spartina control.

(7) Fees approved by the board of natural resources in the 2005-07 biennium are authorized to exceed the fiscal growth factor under RCW 43.135.055.

(8) \$9,000,000 of the general fund--state appropriation for fiscal year 2006 and \$2,000,000 of the aquatic lands enhancement account--state appropriation are provided solely for the purposes of settling all claims in *U.S. et al. v. State of Washington, et al.* Subproceeding No. 89-3 (Shellfish), United States District Court for the Western District of Washington at Seattle, Case No. C70-9213. The expenditure of this appropriation is contingent on the release of all claims in this subproceeding. In the event that the federal government does not appropriate \$22,000,000 for this purpose by June 30, 2006, this subsection shall lapse.

(9) \$852,000 of the nonhighway and off-road vehicle program account--state appropriation is provided solely for making safety improvements for off-road vehicle recreation on state lands. The department shall develop an implementation plan for off-road vehicle-related signage on state trust lands. The department shall submit this plan by October 1, 2005, to the office of financial management and appropriate committees of the legislature, and report progress on plan implementation to these same entities by March 1, 2006, and September 1, 2006.

(10) \$2,155,000 of the state toxics 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 and other sites.

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

General Fund--State Appropriation (FY 2006) . . . . .	\$11,923,000
General Fund--State Appropriation (FY 2007) . . . . .	\$11,124,000
General Fund--Federal Appropriation . . . . .	\$10,280,000
General Fund--Private/Local Appropriation . . . . .	\$410,000
Aquatic Lands Enhancement Account--State Appropriation . . . . .	\$1,968,000
Water Quality Account--State Appropriation . . . . .	\$949,000
State Toxics Control Account--State Appropriation . . . . .	\$3,367,000
Water Quality Permit Account--State Appropriation . . . . .	\$238,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$40,259,000</b>

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 2006 and \$37,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for implementation of the Puget Sound conservation and recovery plan and agency action item WSDA-01.

(2) Fees and assessments approved by the department in the 2005-07 biennium are authorized to exceed the fiscal growth factor under RCW 43.135.055.

(3) \$750,000 of the general fund--state appropriation for fiscal year 2006 and \$750,000 of the general fund--state appropriation for fiscal year 2007 are provided solely to research and develop new hop harvesting technologies and for associated pilot projects.

(4) \$12,000 of the general fund--state appropriation for fiscal year 2006 and \$13,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for indemnity payments for poultry that are ordered by the department to be slaughtered or destroyed.

(5) \$500,000 of the general fund--state appropriation for fiscal year 2006 and \$500,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for market promotion and trade barrier grants.

(6) \$75,000 of the general fund--state appropriation for fiscal year 2006 and \$75,000 of the general fund--state appropriation for

fiscal year 2007 are provided solely for the small farm and direct marketing program.

(7) \$466,000 of the general fund--state appropriation for fiscal year 2006 is provided solely to complete a database application that would consolidate program information and enable the department to more effectively respond to a food safety or animal disease emergency.

(8) \$100,000 of the general fund--state appropriation for fiscal year 2006 is provided solely for a study of the economic impact of agriculture and fairs in Washington.

(9) Within funds appropriated in this section, the department, in addition to the authority provided in RCW 17.26.007, may enter into agreements with federal agencies to eradicate spartina from private lands that may provide a source of reinfestation to public lands.

(10) \$200,000 of the general fund--state appropriation for fiscal year 2006 and \$200,000 of the general fund--state appropriation for fiscal year 2007 are provided solely to implement the Washington wine brand campaign.

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

Pollution Liability Insurance Program Trust Account--State Appropriation . . . . . \$849,000

**PART IV  
TRANSPORTATION**

**NEW SECTION. Sec. 401. FOR THE DEPARTMENT OF LICENSING**

General Fund--State Appropriation (FY 2006) . . . . . \$1,784,000  
 General Fund--State Appropriation (FY 2007) . . . . . \$1,532,000  
 Architects' License Account--State Appropriation . . . . . \$717,000  
 Cemetery Account--State Appropriation . . . . . \$220,000  
 Professional Engineers' Account--State Appropriation . . . . . \$3,082,000  
 Real Estate Commission Account--State Appropriation . . . . . \$7,362,000  
 Master License Account--State Appropriation . . . . . \$11,343,000  
 Uniform Commercial Code Account--State Appropriation . . . . . \$2,851,000  
 Real Estate Education Account--State Appropriation . . . . . \$275,000  
 Real Estate Appraiser Commission Account--State Appropriation . . . . . \$146,000  
 Business and Professions Account--State Appropriation . . . . . \$7,927,000  
 Real Estate Research Account--State Appropriation . . . . . \$301,000  
 Funeral Directors and Embalmers Account--State Appropriation . . . . . \$511,000  
 Geologists' Account--State Appropriation . . . . . \$34,000  
 Data Processing Revolving Account--State Appropriation . . . . . \$29,000  
 Derelict Vessel Removal Account--State Appropriation . . . . . \$31,000  
**TOTAL APPROPRIATION . . . . . \$39,157,000**

(1) 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 2005-07 fiscal biennium. Pursuant to RCW 43.135.055, during the 2005-07 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.

(2) \$3,759,000 of the business and professions account--state appropriation for fiscal year 2006 and \$3,296,000 of the business and professions account--state appropriation for fiscal year 2007 are contingent on enactment of Substitute House Bill No. 1394 (business and professions account). If the bill is not enacted by June 30, 2005, these appropriations shall be made from the general fund.

(3) \$834,000 of the master license account--state appropriation for fiscal year 2006 and \$819,000 of the master license account--state appropriation for fiscal year 2007 are subject to enactment of House Bill No. 2131 (master licensing service). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(4) \$34,000 of the general fund--state appropriation for fiscal year 2006 are subject to enactment of House Bill No. 1241 (vehicle

licensing and registration). If the bill is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

**NEW SECTION. Sec. 402. FOR THE STATE PATROL**

General Fund--State Appropriation (FY 2006) . . . . . \$35,336,000  
 General Fund--State Appropriation (FY 2007) . . . . . \$29,668,000  
 General Fund--Federal Appropriation . . . . . \$4,269,000  
 General Fund--Private/Local Appropriation . . . . . \$582,000  
 Death Investigations Account--State Appropriation . . . . . \$5,439,000  
 Public Safety and Education Account--State Appropriation . . . . . \$4,283,000  
 Enhanced 911 Account--State Appropriation . . . . . \$572,000  
 County Criminal Justice Assistance Account--State Appropriation . . . . . \$3,700,000  
 Municipal Criminal Justice Assistance Account--State Appropriation . . . . . \$1,123,000  
 Fire Service Trust Account--State Appropriation . . . . . \$131,000  
 Fire Service Training Account--State Appropriation . . . . . \$7,476,000  
 State Toxics Control Account--State Appropriation . . . . . \$450,000  
 Violence Reduction and Drug Enforcement Account--State Appropriation . . . . . \$300,000  
 Fingerprint Identification Account--State Appropriation . . . . . \$6,120,000  
 DNA Data Base Account--State Appropriation . . . . . \$150,000  
**TOTAL APPROPRIATION . . . . . \$98,689,000**

**PART V  
EDUCATION**

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

**(1) STATE AGENCY OPERATIONS**

General Fund--State Appropriation (FY 2006) . . . . . \$12,803,000  
 General Fund--State Appropriation (FY 2007) . . . . . \$12,395,000  
 General Fund--Federal Appropriation . . . . . \$29,784,000  
**TOTAL APPROPRIATION . . . . . \$54,982,000**

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

(a) \$10,621,000 of the general fund--state appropriation for fiscal year 2006 and \$10,513,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the operation and expenses of the office of the superintendent of public instruction. Within the amounts provided in this subsection, the superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award. The students selected for the award must demonstrate understanding through completion of at least one of the classroom-based civics assessment models developed by the superintendent of public instruction, and through leadership in the civic life of their communities. The superintendent shall select two students from eastern Washington and two students from western Washington to receive the award, and shall notify the governor and legislature of the names of the recipients.

(b) \$428,000 of the general fund--state appropriation for fiscal year 2006 and \$428,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities.

(c) \$509,000 of the general fund--state appropriation for fiscal year 2006 and \$504,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the operation and expenses of the Washington professional educator standards board. Within the amounts provided in this subsection, the Washington professional educator standards board shall pursue the implementation of recent study recommendations including: (i) Revision of teacher mathematics endorsement competencies and alignment of teacher tests to the updated competencies, and (ii) development of mathematics specialist endorsement.

(d) \$200,000 of the general fund--state appropriation for fiscal year 2006 is provided solely for increased attorney general fees related to *School Districts' Alliance for Adequate Funding of Special Education et al. v. State of Washington et al.*, Thurston County Superior Court Cause No. 04-2-02000-7.

(e) \$950,000 of the general fund--state appropriation for fiscal year 2006 and \$950,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for replacement of the apportionment system, which includes the processes that collect school district budget and expenditure information, staffing characteristics, and the student enrollments that drive the funding process.

(f)(i) \$45,000 of the general fund--state appropriation for fiscal year 2006 is provided solely for the office of the superintendent of public instruction and the department of health to collaborate and develop a work group to assess school nursing services in class I school districts. The work group shall consult with representatives from the following groups: School nurses, schools, students, parents, teachers, health officials, and administrators. The work group shall:

(A) Study the need for additional school nursing services by gathering data about current school nurse-to-student ratios in each class I school district and assessing the demand for school nursing services by acuity levels and the necessary skills to meet those demands. The work group also shall recommend to the legislature best practices in school nursing services, including a dedicated, sustainable funding model that would best meet the current and future needs of Washington's schools and contribute to greater academic success of all students. The work group shall make recommendations for school nursing services, and may examine school nursing services by grade level. The work group shall assess whether funding for school nurses should continue as part of basic education; and

(B) In collaboration with managed care plans that contract with the department of social and health services medical assistance administration to provide health services to children participating in the medicaid and state children's health insurance program, identify opportunities to improve coordination of and access to health services for low-income children through the use of school nurse services. The work group shall evaluate the feasibility of pooling school district and managed care plan funding to finance school nurse positions in school districts with high numbers of low-income children.

(ii) The office of superintendent of public instruction shall report the work group's findings and plans for implementation to the legislature by February 1, 2006.

(g) \$50,000 of the general fund--state appropriation for fiscal year 2006 is appropriated for transfer into the financial literacy public-private partnership account under RCW 28A.300.465. The funds are provided to equally match funding from nonstate sources for the support of the partnership, financial literacy opportunities for students, and financial literacy professional development opportunities for teachers.

(2) STATEWIDE PROGRAMS

General Fund--State Appropriation (FY 2006)	.....	\$10,283,000
General Fund--State Appropriation (FY 2007)	.....	\$10,295,000
General Fund--Federal Appropriation	.....	\$47,465,000
TOTAL APPROPRIATION	.....	\$68,043,000

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 2006 and a maximum of \$2,541,000 of the general fund--state appropriation for fiscal year 2007 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 2006 and a maximum of \$96,000 of the general fund--state appropriation for fiscal year 2007 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 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 2006 and a maximum of \$100,000 of the general fund--state appropriation for fiscal year 2007 are provided for a school safety training program provided by the criminal justice training commission. The commission, in collaboration with the school safety center 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.

(iv) \$11,600,000 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.

(v) A maximum of \$146,000 of the general fund--state appropriation for fiscal year 2006 and a maximum of \$146,000 of the general fund--state appropriation for fiscal year 2007 are provided for a nonviolence and leadership training program provided by the institute for community leadership. The program shall provide 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 2006 and a maximum of \$1,939,000 of the general fund--state appropriation for fiscal year 2007 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) \$787,000 of the fiscal year 2006 appropriation and \$799,000 of the fiscal year 2007 appropriation are provided solely for the special services pilot projects. 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 RCW 28A.630.015.

(ii) A maximum of \$1,097,000 of the general fund--state appropriation for fiscal year 2006 and a maximum of \$1,097,000 of the general fund--state appropriation for fiscal year 2007 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 2006 and a maximum of \$31,000 of the general fund--state appropriation for fiscal year 2007 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 2006 and a maximum of \$1,224,000 of the general fund--state appropriation for fiscal year 2007 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 2006 and a maximum of \$1,079,000 of the general fund--state appropriation for fiscal year 2007 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 2006 and a maximum of \$97,000 of the general fund--state appropriation for fiscal year 2007 are provided to support vocational student leadership organizations.

(vii) A maximum of \$146,000 of the general fund--state appropriation for fiscal year 2006 and a maximum of \$146,000 of the

general fund--state appropriation for fiscal year 2007 are provided for the Washington civil liberties education program.

(viii) \$1,000,000 of the general fund--state appropriation for fiscal year 2006 and \$1,000,000 of the general fund--state appropriation for fiscal year 2007 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) \$1,521,000 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) \$8,292,000 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.

(xi) \$19,587,000 of the general fund--federal appropriation is provided for 21st century learning center grants, providing after-school and inter-session activities for students.

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

General Fund--State Appropriation (FY 2006) . . .	\$4,185,121,000
General Fund--State Appropriation (FY 2007) . . .	\$4,238,010,000
TOTAL APPROPRIATION . . . . .	\$8,423,131,000

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 2005-06 and 2006-07 school years shall be determined using formula-generated staff units calculated pursuant to this subsection. Staff allocations for small school enrollments in (d) through (f) of this subsection shall be reduced for vocational full-time equivalent enrollments. Staff allocations for small school enrollments in grades K-6 shall be the greater of that generated under (a) of this subsection, or under (d) and (e) of this subsection. Certificated staffing allocations shall be as follows:

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

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

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

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

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

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

(B) Districts at or above 51.0 certificated instructional staff per one thousand full-time equivalent students in grades K-4 may dedicate up to 1.3 of the 53.2 funding ratio to employ additional

classified instructional assistants assigned to basic education classrooms in grades K-4. For purposes of documenting a district's staff ratio under this section, funds used by the district to employ additional classified instructional assistants shall be converted to a certificated staff equivalent and added to the district's actual certificated instructional staff ratio. Additional classified instructional assistants, for the purposes of this subsection, shall be determined using the 1989-90 school year as the base year;

(C) Any district maintaining a ratio in grades K-4 equal to or greater than 53.2 certificated instructional staff per thousand full-time equivalent students may use allocations generated under this subsection (2)(a)(iv) in excess of that required to maintain the minimum ratio established under RCW 28A.150.260(2)(b) to employ additional basic education certificated instructional staff or classified instructional assistants in grades 5-6. Funds allocated under this subsection (2)(a)(iv) shall only be expended to reduce class size in grades K-6. No more than 1.3 of the certificated instructional funding ratio amount may be expended for provision of classified instructional assistants;

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

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

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

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

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

(iii) 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 2005-06 and 2006-07 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 11.21 percent in the 2005-06 school year and 11.73 percent in the 2006-07 school year for certificated salary allocations provided under subsection (2) of this section, and a rate of 14.08 percent in the 2005-06 school year and 15.08 percent in the 2006-07 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 \$9,112 per certificated staff unit in the 2005-06 school year and a maximum of \$9,285 per certificated staff unit in the 2006-07 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 \$22,377 per certificated staff unit in the 2005-06 school year and a maximum of \$22,802 per certificated staff unit in the 2006-07 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 \$17,362 per certificated staff unit in the 2005-06 school year and a maximum of \$17,692 per certificated staff unit in the 2006-07 school year.

(7) Allocations for substitute costs for classroom teachers shall be distributed at a maintenance rate of \$531.09 for the 2005-06 and 2006-07 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 \$7,621,000 outside the basic education formula during fiscal years 2006 and 2007 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 \$513,000 may be expended in fiscal year 2006 and a maximum of \$523,000 may be expended in fiscal year 2007;

(b) For summer vocational programs at skills centers, a maximum of \$2,035,000 may be expended for the 2006 fiscal year and a maximum of \$2,035,000 for the 2007 fiscal year;

(c) A maximum of \$365,000 may be expended for school district emergencies;

(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; and

(e) \$394,000 of the general fund--state appropriation for fiscal year 2006 and \$787,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for incentive grants to encourage school districts to increase enrollment in vocational skills centers. Up to \$500 for each full-time equivalent student may be proportionally distributed to a school district or school districts increasing skills centers enrollment above the levels in the 2004-05 school year. The office of the superintendent of public instruction shall develop criteria for awarding incentive grants pursuant to this subsection. The total amount allocated pursuant to this subsection shall be limited to \$1,181,000 for the 2005-07 biennium.

(10) For purposes of RCW 84.52.0531, the increase per full-time equivalent student is 5.2 percent from the 2004-05 school year to the 2005-06 school year and 3.4 percent from the 2005-06 school year to the 2006-07 school year.

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

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

(b) For the fourth through eighth school years following consolidation, the difference between the basic education formula

staff units received by the districts for the school year prior to consolidation and the basic education formula staff units after consolidation pursuant to subsection (2)(a) through (h) of this section shall be reduced in increments of twenty percent per year.

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

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

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

(2) For the purposes of this section:

(a) "LEAP Document 1Sb" means the computerized tabulation establishing staff mix factors for certificated instructional staff according to education and years of experience, as developed by the legislative evaluation and accountability program committee on March 18, 2005, at 10:00 hours; and

(b) "LEAP Document 12E" means the computerized tabulation of 2005-06 and 2006-07 school year salary allocations for certificated administrative staff and classified staff and derived and total base salaries for certificated instructional staff as developed by the legislative evaluation and accountability program committee on April 6, 2005, at 10:00 hours.

(3) Incremental fringe benefit factors shall be applied to salary adjustments at a rate of 10.57 percent for school year 2005-06 and 11.09 percent for school year 2006-07 for certificated staff and for classified staff 10.58 percent for school year 2005-06 and 11.58 percent for the 2006-07 school year.

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

K-12 Salary Allocation Schedule For Certificated Instructional Staff  
2005-06 School Year

Ye ars of Ser vic e	2005-06 School Year								M A+ 90 or PH D
	B A	B A +1	B A +3	B A +4	B A +9	B A +1	M A A	M A A +4	
0	30 ,3	31 ,2	32 ,0	32 ,9	35 ,6	37 ,4	36 ,4	39 ,1	40, 924
1	30 ,7	31 ,6	32 ,4	33 ,3	36 ,1	37 ,8	36 ,8	39 ,5	41, 345
2	31 ,1	32 ,0	32 ,8	33 ,8	36 ,6	38 ,3	37 ,2	39 ,9	41, 764
3	31 ,5	32 ,4	33 ,3	34 ,2	37 ,0	38 ,8	37 ,6	40 ,3	42, 187
4	31 ,9	32 ,8	33 ,7	34 ,7	37 ,5	39 ,3	38 ,0	40 ,7	42, 623
5	32 ,3	33 ,2	34 ,1	35 ,2	38 ,0	39 ,8	38 ,4	41 ,1	43, 061
6	32 ,8	33 ,6	34 ,5	35 ,7	38 ,5	39 ,7	38 ,4	40 ,9	434 78
7	33 ,5	34 ,4	35 ,3	36 ,5	39 ,7	40 ,5	39 ,4	41 ,4	44, 362
8	34 ,6	35 ,5	36 ,5	37 ,7	40 ,6	41 ,6	40 ,8	42 ,7	45, 714
9	36 ,12	37 ,43	38 ,02	39 ,96	41 ,16	42 ,11	41 ,99	42 ,20	47, 106
10	37 ,07	38 ,13	39 ,54	40 ,40	42 ,02	43 ,56	42 ,44	43 ,44	48, 535
11	38 ,38	39 ,49	40 ,76	41 ,01	43 ,32	44 ,46	43 ,79	44 ,05	50, 003
12	39 ,37	40 ,26	41 ,76	42 ,00	44 ,40	45 ,46	44 ,46	45 ,30	51, 532
13	40 ,55	41 ,18	42 ,9	43 ,28	45 ,55	46 ,49	45 ,50	46 ,2	52, 92
14	41 ,88	42 ,93	43 ,20	44 ,91	46 ,53	47 ,91	46 ,7	47 ,7	53, 096
15	42 ,94	43 ,18	44 ,27	45 ,96	47 ,50	48 ,52	47 ,53	48 ,53	54, 56,
16 or more	43 ,74	44 ,61	45 ,07	46 ,58	48 ,51	49 ,54	48 ,51	49 ,54	54, 572
	44 ,83	45 ,19	46 ,17	47 ,33	49 ,83	50 ,19	49 ,17	50 ,33	55, 66

K-12 Salary Allocation Schedule For Certificated Instructional Staff  
2006-07 School Year

Ye ars of Ser vic e	2006-07 School Year								M A+ 90 or PH D
	B A	B A +1	B A +3	B A +4	B A +9	B A +1	M A A	M A A +4	
0	30 ,9	31 ,7	32 ,5	33 ,4	36 ,2	38 ,0	37 ,0	39 ,8	41, 620
1	31 ,3	32 ,1	33 ,0	33 ,9	36 ,7	38 ,5	37 ,4	40 ,2	42, 048
2	31 ,7	32 ,5	33 ,4	34 ,4	37 ,2	39 ,0	37 ,8	40 ,6	42, 475
3	32 ,12	32 ,66	33 ,51	34 ,26	37 ,28	39 ,28	38 ,73	41 ,74	42, 905
4	32 ,21	33 ,83	34 ,78	35 ,83	38 ,79	40 ,23	38 ,66	41 ,60	43, 348
5	32 ,9	33 ,8	34 ,7	35 ,8	38 ,6	40 ,5	39 ,0	41 ,9	43, 794
6	33 ,35	34 ,40	35 ,48	36 ,46	39 ,49	41 ,43	39 ,97	42 ,00	44, 218
7	34 ,60	35 ,45	36 ,85	37 ,37	40 ,27	41 ,31	40 ,26	43 ,15	45, 116
8	35 ,07	36 ,05	37 ,57	38 ,73	41 ,3	43 ,0	41 ,30	44 ,59	46, 492
	36 ,01	37 ,48	38 ,23	39 ,39	42 ,07	44 ,36	43 ,94	45 ,64	



9	37 ,3 32	38 ,3 55	39 ,7 18	42 ,6 54	44 ,7 51	42 ,8 73	45 ,8 10	47, 908
10		39 ,6 01	41 ,0 63	44 ,0 38	46 ,2 05	44 ,2 19	47 ,1 94	49, 361
11		42 44 8	45 ,4 87	47 ,6 98	45 ,6 03	48 ,6 44	50, 853	
12		43 78 8	46 ,9 75	49 ,2 52	47 ,0 42	50 ,1 31	52, 409	
13		48 ,4 99	50 ,8 44	48 ,5 32	51 ,6 55	54, 000		
14		50 ,0 31	52 ,4 96	50 ,0 65	53 ,2 87	55, 652		
15		51 ,3 33	53 ,8 62	51 ,3 66	54 ,6 73	57, 099		
16 or more		52 ,3 59	54 93 8	52 39 3	55 ,7 66	582 41		

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

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

(i) Credits earned since receiving the masters degree; and

(ii) Any credits in excess of forty-five credits that were earned after the baccalaureate degree but before the masters degree.

(5) For the purposes of this section:

(a) "BA" means a baccalaureate degree.

(b) "MA" means a masters degree.

(c) "PHD" means a doctorate degree.

(d) "Years of service" shall be calculated under the same rules adopted by the superintendent of public instruction.

(e) "Credits" means college quarter hour credits and equivalent in-service credits computed in accordance with RCW 28A.415.020 and 28A.415.023.

(6) No more than ninety college quarter-hour credits received by any employee after the baccalaureate degree may be used to determine compensation allocations under the state salary allocation schedule and LEAP documents referenced in this act, or any replacement schedules and documents, unless:

(a) The employee has a masters degree; or

(b) The credits were used in generating state salary allocations before January 1, 1992.

(7) The certificated instructional staff base salary specified for each district in LEAP Document 12E and the salary schedules in subsection (4)(a) of this section include two learning improvement days. A school district is eligible for the learning improvement day funds only if the learning improvement days have been added to the 180-day contract year. If fewer days are added, the additional learning improvement allocation shall be adjusted accordingly. The additional days shall be limited to specific activities identified in the state required school improvement plan related to improving student learning that are consistent with education reform implementation, and shall not be considered part of basic education. The principal in each school shall assure that the days are used to provide the necessary school-wide, all staff professional development that is tied directly to the school improvement plan. The school principal and the district superintendent shall maintain documentation as to their approval of these activities. The length of a learning improvement day shall not be less than the length of a full day under the base contract. The superintendent of public instruction shall ensure that school districts adhere to the intent and purposes of this subsection.

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

**NEW SECTION. Sec. 504. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS**

General Fund--State Appropriation (FY 2006)	.....	\$85,904,000
General Fund--State Appropriation (FY 2007)	.....	\$178,245,000
General Fund--Federal Appropriation	.....	\$1,171,000
<b>TOTAL APPROPRIATION</b>	<b>.....</b>	<b>\$265,320,000</b>

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

(1) \$135,598,000 is provided for a cost of living adjustment of 1.2 percent effective September 1, 2005, and another 1.7 percent effective September 1, 2006, for state formula staff units. The appropriations include associated incremental fringe benefit allocations at rates of 10.57 percent for the 2005-06 school year and 11.09 percent for the 2006-07 school year for certificated staff and 10.58 percent for the 2005-06 school year and 11.58 percent for the 2006-07 school year for classified staff.

(a) The appropriations in this section include the increased portion of salaries and incremental fringe benefits for all relevant state-funded school programs in 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.

(b) The appropriations in this section provide cost of living and incremental fringe benefit allocations based on formula adjustments as follows:

	School Year	
	2005-06	2006-07
Pupil Transportation (per weighted pupil mile)	\$0.	\$0.
Highly Capable (per formula student)	\$2.	\$7.
	96	25
Transitional Bilingual Education (per eligible bilingual student)	\$7.	\$19
Learning Assistance (per formula student)	\$1.	\$4.
	75	29

(c) The appropriations in this section include \$251,000 for fiscal year 2006 and \$676,000 for fiscal year 2007 for salary increase adjustments for substitute teachers.

(2) \$129,722,000 is provided for adjustments to insurance benefit allocations. The maintenance rate for insurance benefit allocations is \$582.47 per month for the 2005-06 and 2006-07 school years. The appropriations in this section provide for a rate increase to \$643.63 per month for the 2005-06 school year and \$665 per month for the 2006-07 school year. The adjustments to health insurance benefit allocations are at the following rates:

	School Year	
	2005-06	2006-07
Pupil Transportation (per weighted pupil mile)	\$0.	\$0.
Highly Capable (per formula student)	\$3.	\$5.
	74	08
Transitional Bilingual Education (per eligible bilingual student)	\$9.	\$13
Learning Assistance (per formula student)	\$2.	\$2.
	03	74

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

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

General Fund--State Appropriation (FY 2006) . . . . \$241,771,000  
 General Fund--State Appropriation (FY 2007) . . . . \$247,868,000  
 TOTAL APPROPRIATION . . . . . \$489,639,000

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 \$796,000 of this fiscal year 2006 appropriation and a maximum of \$812,000 of the fiscal year 2007 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 2006 appropriation and \$5,000 of the fiscal year 2007 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 \$41.40 per weighted mile in the 2005-06 school year and \$41.85 per weighted mile in the 2006-07 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 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) For busses purchased between July 1, 2005, and June 30, 2007, 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.

(6) Beginning with the 2005-06 school year, the superintendent of public instruction shall base depreciation payments for school district buses on the five-year average of lowest bids in the appropriate category of bus. In the final year on the depreciation schedule, the depreciation payment shall be based on the current state price. The superintendent may include a weighting or other adjustment factor in the averaging formula to ease the transition from the current-price depreciation system to the average depreciation system. Prior to making any depreciation payment in the 2005-06 school year, the superintendent shall notify the office of financial management and the fiscal committees of the legislature of the specific depreciation formula to be used. The replacement cost shall be based on the lowest bid in the appropriate bus category for that school year. A maximum of \$50,000 of the fiscal year 2006 appropriation may be expended for software programming costs associated with the implementation of this subsection.

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

General Fund--State Appropriation (FY 2006) . . . . . \$3,147,000  
 General Fund--State Appropriation (FY 2007) . . . . . \$3,159,000  
 General Fund--Federal Appropriation . . . . . \$288,774,000  
 TOTAL APPROPRIATION . . . . . \$295,080,000

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 2006 and \$3,000,000 of the general fund--state appropriation for fiscal year 2007 are provided for state matching money for federal child nutrition programs.

(2) \$100,000 of the general fund--state appropriation for fiscal year 2006 and \$100,000 of the 2007 fiscal year appropriation are provided for summer food programs for children in low-income areas.

(3) \$47,000 of the general fund--state appropriation for fiscal year 2006 and \$59,000 of the general fund--state appropriation for fiscal year 2007 are provided solely to reimburse school districts for school breakfasts served to students enrolled in the free or reduced price meal program pursuant to House Bill No. 1771 (requiring school breakfast programs in certain schools). If House Bill No. 1771 is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

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

General Fund--State Appropriation (FY 2006) . . . . \$474,566,000  
 General Fund--State Appropriation (FY 2007) . . . . \$482,565,000  
 General Fund--Federal Appropriation . . . . . \$435,462,000  
 TOTAL APPROPRIATION . . . . . \$1,392,593,000

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 2005-06 and 2006-07 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.

(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, \$54,400,000 of the general fund--state appropriation and \$28,698,000 of the general fund--federal appropriation are provided for safety net awards for districts with demonstrated needs for 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 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 who shall be nonvoting members of the committee; 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) A maximum of \$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.

(15) \$1,400,000 of the general fund--federal appropriation shall be expended for one-time grants to school districts for the start-up costs of implementing web-based programs that assist schools in meeting state and federal requirements regarding individualized education plans.

(16) The superintendent, consistent with the new federal IDEA reauthorization, shall continue to educate school districts on how to implement a birth-to-three program and review the cost effectiveness and learning benefits of early intervention.

(17) 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.

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

General Fund--State Appropriation (FY 2006)	.....	\$3,691,000
General Fund--State Appropriation (FY 2007)	.....	\$3,711,000
TOTAL APPROPRIATION	.....	\$7,402,000

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

(1) The educational service districts shall continue to furnish financial services required by the superintendent of public instruction and RCW 28A.310.190 (3) and (4).

(2) The educational service districts, at the request of the state board of education pursuant to RCW 28A.310.010 and 28A.310.340, may receive and screen applications for school accreditation, conduct school accreditation site visits pursuant to state board of education rules, and submit to the state board of education post-site visit recommendations for school accreditation. The educational service districts may assess a cooperative service fee to recover actual plus reasonable indirect costs for the purposes of this subsection.

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

General Fund--State Appropriation (FY 2006)	....	\$167,003,000
General Fund--State Appropriation (FY 2007)	....	\$169,080,000

TOTAL APPROPRIATION . . . . . \$336,083,000

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

General Fund--State Appropriation (FY 2006) . . . . . \$19,111,000  
 General Fund--State Appropriation (FY 2007) . . . . . \$19,667,000  
 TOTAL APPROPRIATION . . . . . \$38,778,000

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

- (1) Each general fund--state fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.
- (2) State funding provided under this section is based on salaries and other expenditures for a 220-day school year. The superintendent of public instruction shall monitor school district expenditure plans for institutional education programs to ensure that districts plan for a full-time summer program.
- (3) State funding for each institutional education program shall be based on the institution's annual average full-time equivalent student enrollment. Staffing ratios for each category of institution shall remain the same as those funded in the 1995-97 biennium.
- (4) The funded staffing ratios for education programs for juveniles age 18 or less in department of corrections facilities shall be the same as those provided in the 1997-99 biennium.
- (5) \$219,000 of the general fund--state appropriation for fiscal year 2006 and \$219,000 of the general fund--state appropriation for fiscal year 2007 are provided solely to maintain at least one certificated instructional staff and related support services at an institution whenever the K-12 enrollment is not sufficient to support one full-time equivalent certificated instructional staff to furnish the educational program. The following types of institutions are included: Residential programs under the department of social and health services for developmentally disabled juveniles, programs for juveniles under the department of corrections, and programs for juveniles under the juvenile rehabilitation administration.
- (6) Ten percent of the funds allocated for each institution may be carried over from one year to the next.

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

General Fund--State Appropriation (FY 2006) . . . . . \$6,870,000  
 General Fund--State Appropriation (FY 2007) . . . . . \$6,922,000  
 TOTAL APPROPRIATION . . . . . \$13,792,000

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 \$347.93 per funded student for the 2005-06 school year and \$349.10 per funded student for the 2006-07 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 2006 appropriation and \$170,000 of the fiscal year 2007 appropriation are provided for the centrum program at Fort Worden state park.
- (4) \$90,000 of the fiscal year 2006 appropriation and \$90,000 of the fiscal year 2007 appropriation are provided for the Washington destination imagination network and future problem-solving programs.

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

General Fund--Federal Appropriation . . . . . \$22,084,000

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

General Fund--State Appropriation (FY 2006) . . . . . \$39,110,000  
 General Fund--State Appropriation (FY 2007) . . . . . \$36,899,000  
 General Fund--Federal Appropriation . . . . . \$123,264,000  
 TOTAL APPROPRIATION . . . . . \$199,273,000

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

- (1) ASSESSMENT
 

\$19,810,000 of the general fund--state appropriation for fiscal year 2006, \$16,105,000 of the general fund--state appropriation for fiscal year 2007, and \$16,111,000 of the general fund--federal appropriation are provided solely for development and implementation of the Washington assessments of student learning (WASL), including development and implementation of retake assessments for high school students who are not successful in one or more content areas of the WASL and development of alternative assessments or appeals procedures to implement the certificate of academic achievement. Within these amounts, the superintendent of public instruction shall contract for the early return of 10th grade student WASL results, on or around June 10th of each year.
- (2) PROFESSIONAL DEVELOPMENT
  - (a) \$548,000 of the fiscal year 2006 general fund--state appropriation and \$548,000 of the fiscal year 2007 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.
  - (b) \$2,348,000 of the general fund--state appropriation for fiscal year 2006 and \$2,348,000 of the general fund--state appropriation for fiscal year 2007 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.
  - (c) \$705,000 of the general fund--state appropriation for fiscal year 2006 and \$705,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the leadership internship program for superintendents, principals, and program administrators.
  - (d) \$3,010,000 of the general fund--state appropriation for fiscal year 2006 and \$4,018,000 of the general fund--state appropriation for fiscal year 2007 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:
    - (i) Teachers who hold a valid certificate from the national board during the 2005-06 or 2006-07 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.
    - (ii) 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).
  - (e) \$90,399,000 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.
- (3) SCHOOL IMPROVEMENT
  - (a) \$363,000 of the general fund--state appropriation for fiscal year 2006 and \$363,000 of the general fund--state appropriation for fiscal year 2007 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: (i) Development of an individualized professional growth plan for a new principal or principal candidate; and (ii) 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. Within the amounts provided, \$50,000 per year shall be used to support additional participation of secondary principals.

(b) \$3,046,000 of the general fund--state appropriation for fiscal year 2006 and \$3,046,000 of the general fund--state appropriation for fiscal year 2007 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.

(c) \$1,000,000 of the general fund--state appropriation for fiscal year 2006 and \$1,000,000 of the general fund--state appropriation for fiscal year 2007 are provided solely to match funding provided by a nonprofit foundation to expand the focused assistance program to high schools and school districts.

(d) A maximum of \$250,000 of the general fund--state appropriation for fiscal year 2006 and a maximum of \$250,000 of the general fund--state appropriation for fiscal year 2007 are provided for summer accountability institutes offered by the superintendent of public instruction. 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, social studies, including civics, and guidance and counseling. The superintendent of public instruction shall emphasize issues of high school reform and mathematics instruction when offering summer institute programs supported by funds provided in this subsection.

(e) \$515,000 of the general fund--state appropriation for fiscal year 2006 and \$515,000 of the general fund--state appropriation for fiscal year 2007 are provided for the evaluation of reading and mathematics textbooks, other instructional materials, and diagnostic tools to determine the extent to which they are aligned with the state standards. A scorecard of the analysis shall be made available to school districts. The superintendent shall also develop and disseminate information on essential components of comprehensive, school-based math and reading programs and shall develop and disseminate grade level expectations for reading and math which shall include professional development modules and web-based materials.

(f) \$1,764,000 of the general fund--state appropriation for fiscal year 2006 and \$1,764,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the mathematics helping corps subject to the following conditions and limitations:

(i) 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.

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

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

(B) 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;

(C) 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;

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

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

(F) Assistance in developing and implementing family and community involvement programs emphasizing mathematics; and

(G) Other assistance to schools and school districts intended to improve student mathematics learning.

(g) \$500,000 of the general fund--state appropriation for fiscal year 2006 and \$500,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the improvement of reading achievement and implementation of research-based reading models. The superintendent shall evaluate reading curriculum programs and other instructional materials to determine the extent to which they are aligned with state standards. A report of the analyses shall be made available to school districts. The superintendent shall report to districts the assessments that are available to screen and diagnose reading difficulties, and shall provide training on how to implement a reading assessment system. Resources may also be used to disseminate grade level expectations and develop professional development modules and web-based materials. Half of the funding shall be used to develop regional leadership capacity to implement the state K-12 reading model and assessment system in areas of the state with the greatest need for assistance.

(h) \$500,000 of the general fund--state appropriation for fiscal year 2007 is provided solely for the districts to purchase and implement reading diagnostic assessments. The superintendent shall distribute funds based on K-5 enrollment, but districts are not restricted to using funds for K-5.

(i) \$16,758,000 of the general fund--federal appropriation is provided for the reading first program under Title I of the no child left behind act.

#### (4) STUDENT SUPPORTS

(a) \$2,500,000 of the general fund--state appropriation for fiscal year 2006 and \$2,500,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the meals for kids program under RCW 28A.235.145 through 28A.235.155.

(b) \$260,000 of the general fund--state appropriation for fiscal year 2006 and \$260,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for an early reading grant program for community-based initiatives that develop prereading and early reading skills through parental and community involvement, public awareness, coordination of resources, and partnerships with local school districts. Grant awards shall include funding for one-time start up costs for local affiliates and a one-time partial payment of school district dues to local affiliates of up to 30 percent of the per student dues amount. Grant applications shall include:

(i) Strategies for parental involvement emphasizing ages birth to five and outreach to diverse communities;

(ii) Evidence of collaboration with, and support from, local school districts, and how the activities funded in the grant are complementary to the reading improvement efforts of local school districts;

(iii) A plan for community participation and coordination of resources including in-kind and financial support by public and private sector partners;

(iv) Measurable goals and evaluation methodology to determine impact;

(v) Integration of reading strategies from the Washington state early learning and development benchmarks;

(vi) A plan for marketing and public relations;

(vii) Strategies for sustaining the program when grant funding is no longer available; and

(viii) Evidence of district commitment to reading improvement, aligned curriculum, progress monitoring, and time-on-task.

#### (5) TECHNOLOGY

(a) \$1,959,000 of the general fund--state appropriation for fiscal year 2006 and \$1,959,000 of the general fund--state appropriation for fiscal year 2007 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.

(b) \$126,000 of the general fund--state appropriation for fiscal year 2006 and \$126,000 of the general fund--state appropriation for fiscal year 2007 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.

**NEW SECTION. Sec. 514. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL BILINGUAL PROGRAMS**

General Fund--State Appropriation (FY 2006) . . . . .	\$59,791,000
General Fund--State Appropriation (FY 2007) . . . . .	\$63,496,000
General Fund--Federal Appropriation . . . . .	\$45,561,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$168,848,000</b>

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 \$759.58 per eligible bilingual student in the 2005-06 school year and \$762.69 in the 2006-07 school year, exclusive of salary and benefit adjustments provided in section 504 of this act.

(3) The superintendent may withhold up to 1.5 percent of the school year allocations to school districts in subsection (2) of this section, and adjust the per eligible pupil rates in subsection (2) of this section accordingly, solely 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.

**NEW SECTION. Sec. 515. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING ASSISTANCE PROGRAM**

General Fund--State Appropriation (FY 2006) . . . . .	\$77,647,000
General Fund--State Appropriation (FY 2007) . . . . .	\$82,617,000
General Fund--Federal Appropriation . . . . .	\$343,227,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$503,491,000</b>

(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 \$191.60 per funded student for the 2005-06 school year and \$192.77 per funded student for the 2006-07 school year exclusive of salary and benefit adjustments provided under section 504 of this act.

(c) A school district's funded students for the learning assistance program shall be the sum of the following as appropriate:

(i) The district's full-time equivalent enrollment in grades K-12 for the prior school year times the district's percentage of October headcount enrollment in grades K-12 eligible for free or reduced price lunch in the prior school year; and

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

(d) In addition to amounts allocated in (b) and (c) of this subsection, an additional amount shall be allocated to a school district for each school year in which the district's allocation is less than the amount the district received for the general fund--state learning assistance program allocation in the 2004-05 school year. The amount of the allocation in this section shall be sufficient to maintain the 2004-05 school year allocation.

(2) Increases in a school district's allocation above the 2004-05 school year level shall be directed to grades nine through twelve. Districts are encouraged to offer remediation courses in the summer for students who fail the tenth grade WASL.

(3) 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.

(4) Small school districts are encouraged to make the most efficient use of the funding provided by using regional educational service district cooperatives to hire staff, provide professional development activities, and implement reading and mathematics programs consistent with research-based guidelines provided by the office of the superintendent of public instruction.

(5) 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.

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

Student Achievement Account--State Appropriation \$629,356,000

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

(1) Funding for school district student achievement programs shall be allocated at a maximum rate of \$300.00 per FTE student for the 2005-06 school year and \$375.00 per FTE student for the 2006-07 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) The superintendent of public instruction shall distribute the school year allocation according to the monthly apportionment schedule defined in RCW 28A.510.250.

**NEW SECTION. Sec. 517. 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.

**NEW SECTION. Sec. 518. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION.** Appropriations made in this act to the office of superintendent of public instruction shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act.

**PART VI  
HIGHER EDUCATION**

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

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

(2)(a) The salary increases provided or referenced in this subsection and described in sections 948 through 979 of this act shall be the only allowable salary increases provided at institutions of higher education, excluding increases associated with normally occurring promotions and increases related to faculty and professional staff retention, and excluding increases associated with employees under the jurisdiction of chapter 41.56 RCW pursuant to the provisions of RCW 28B.16.015 and 28B.50.874(1).

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

(c) Each institution of higher education receiving appropriations for salary increases under sections 604 through 609 of this act may provide additional salary increases from other sources to instructional and research faculty, exempt professional staff, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Any additional salary increase granted under the authority of this subsection (2)(c) shall not be included in an institution's salary base for future state funding. It is the intent of the legislature that general fund--state support for an institution shall not increase during the current or any future biennium as a result of any salary increases authorized under this subsection (2)(c).

(d) The legislature, the office of financial management, and other state agencies need consistent and accurate personnel data from institutions of higher education for policy planning purposes. Institutions of higher education shall report personnel data to the department of personnel for inclusion in the department's data warehouse. Uniform reporting procedures shall be established by the department of personnel for use by the reporting institutions, including provisions for common job classifications and common definitions of full-time equivalent staff. Annual contract amounts, number of contract months, and funding sources shall be consistently reported for employees under contract.

(3) The tuition fees, as defined in chapter 28B.15 RCW, charged to full-time students at the state's institutions of higher education for the 2005-06 and 2006-07 academic years, other than the summer term, shall be adjusted by the governing boards of the state universities, regional universities, The Evergreen State College, and the state board for community and technical colleges. Tuition fees may be increased in excess of the fiscal growth factor under RCW 43.135.055.

For the 2005-06 academic year, the governing boards of the state universities may implement an increase no greater than seven percent over tuition fees charged to full-time resident undergraduate students for the 2004-05 academic year. The governing boards of the regional universities and The Evergreen State College may implement an increase no greater than six percent over tuition fees charged to full-time resident undergraduate students for the 2004-05 academic year. The state board for community and technical colleges may implement an increase no greater than five percent over tuition fees charged to full-time resident students for the 2004-05 academic year.

For the 2006-07 academic year, the governing boards of the state universities may implement an increase no greater than seven percent over tuition fees charged to full-time resident undergraduate students for the 2005-06 academic year. The governing boards of the regional universities and The Evergreen State College may implement an increase no greater than six percent over tuition fees charged to full-time resident undergraduate students for the 2005-06 academic year. The state board for community and technical colleges may implement an increase no greater than five percent over tuition fees charged to full-time resident students for the 2005-06 academic year.

(4) For the 2005-07 biennium, the state board for community and technical colleges may increase tuition fees differentially based on student credit hour load at their discretion.

(5) For the 2005-07 biennium, the governing boards and the state board may adjust full-time operating fees for factors that may include time of day and day of week, as well as delivery method and campus, to encourage full use of the state's educational facilities and resources.

(6) Technical colleges may increase their building fee in excess of the fiscal growth factor until parity is reached with the community colleges.

(7) In addition to waivers granted under the authority of RCW 28B.15.910, the governing boards and the state board may waive all or a portion of operating fees for any student. State general fund appropriations shall not be provided to replace tuition and fee revenue foregone as a result of waivers granted under this subsection.

(8) Pursuant to RCW 43.135.055, institutions of higher education receiving appropriations under sections 603 through 609 of this act are authorized to increase summer term tuition in excess of the fiscal growth factor during the 2005-07 biennium. Tuition levels increased pursuant to this subsection shall not exceed the per credit hour rate calculated from the academic year tuition levels adopted under this act.

(9) Pursuant to RCW 43.135.055, community and technical colleges are authorized to increase services and activities fee charges in excess of the fiscal growth factor during the 2005-2007 biennium. The services and activities fee charges increased pursuant to this subsection shall not exceed the maximum level authorized by the state board for community and technical colleges.

(10) Pursuant to RCW 43.135.055, the governing boards of the state universities, regional universities, and The Evergreen State College are authorized to increase application fees in excess of the fiscal growth factor during the 2005-2007 biennium. The application fee levels increased pursuant to this subsection shall not exceed fifty dollars per application.

**NEW SECTION. Sec. 602.** (1) The appropriations in sections 603 through 609 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.

	200	200
	5-	6-
	06	07
	Ann	Ann
	ual	ual
	Ave	Ave
	rage	rage
University of Washington		
Main campus	33,1	333
	07	57

Bothell branch	1,37	161
	7	5
Tacoma branch	1,68	194
	1	4
Washington State University		
Main campus	18,7	19,
	80	080
Tri-Cities branch	675	700
Vancouver branch	1,37	1,7
	8	28
Central Washington University	8,44	8,8
	9	99
Eastern Washington University	8,71	9,1
	9	69
The Evergreen State College	4,05	4,1
	8	83
Westem Washington University	11,5	11,
	64	764
State Board for Community and Technical Colleges	131,	133
	293	980

(2) 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.

**NEW SECTION. Sec. 603. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

General Fund--State Appropriation (FY 2006)	...	\$562,889,000
General Fund--State Appropriation (FY 2007)	...	\$571,694,000
Administrative Contingency Account--State Appropriation		\$1,950,000
Higher Education Legacy Trust--State Appropriation		\$58,339,000
<b>TOTAL APPROPRIATION</b>	<b>.....</b>	<b>\$1,195,872,000</b>

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) \$539,000 of the general fund--state appropriation for fiscal year 2006 and \$540,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the displaced homemakers program.

(3) Access to baccalaureate and graduate degree programs continues to be limited for residents of North Snohomish, Island, and Skagit counties. The higher education consortium created to serve the region has not been able to successfully address the region's access needs. The university center model of service delivery, centered on a community college campus with a single point of accountability, has proven more effective in developing degree programs and attracting students.

Therefore, the management and leadership responsibility for consortium operations are assigned to Everett community college. Everett community college shall collaborate with community and business leaders, other local community colleges, the public four-year institutions of higher education, and the higher education coordinating board to develop an educational plan for the North Snohomish, Island, and Skagit county region based on the university center model.

(4) \$50,000 of the general fund--state appropriation for fiscal year 2006 and \$50,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for higher education student child care matching grants under chapter 28B.135 RCW.

(5) \$28,761,000 of the general fund--state appropriation for fiscal year 2006 and \$28,761,000 of the general fund--state appropriation for fiscal year 2007 are provided solely as special funds for training and related support services, including financial aid, as specified in chapter 226, Laws of 1993 (employment and training for unemployed workers). Funding is provided to support up to 6,200 full-time equivalent students in each fiscal year.

(6) \$2,500,000 of the higher education legacy trust appropriation for fiscal year 2006 and \$2,500,000 of the higher education legacy trust appropriation for fiscal year 2007 are provided solely for basic skills education at community and technical colleges and community-based providers. These funds may be used to align or integrate adult basic education and English as a second language courses with vocational training.

(7) The appropriations for higher education employee compensation increases provided or referenced in this section and described in sections 948 through 979 of this act are estimated to increase the total per student funding by \$324 during the 2005-2007 biennium. This increase in total per student funding is in addition to the tuition revenues that will be generated and retained by the community and technical colleges as a result of the tuition increases that are authorized in section 601 of this act. Given these increases in core funding, the state board for community and technical colleges shall, by June 30, 2007, show demonstrable progress toward achieving the following six-year programmatic goals:

(a) Increase the number of academic students who are eligible to transfer to baccalaureate institutions;

(b) Increase the number of students prepared for work; and

(c) Increase the number of basic skills students who demonstrate substantive skill gain.

Specific six-year targets for the goals stated in this subsection shall be established by the state board and the office of financial management and shall be determined based on the per student funding level assumed in this act.

The state board for community and technical colleges shall provide a summary of the progress and ongoing efforts toward meeting the provisions of this section to the governor and the appropriate fiscal and policy committees of the legislature prior to November 1, 2006.

(8) \$13,165,000 of the higher education legacy trust appropriation for fiscal year 2006 and \$27,675,000 of the higher education legacy trust appropriation for fiscal year 2007 are provided to increase budgeted enrollments by 2,438 student FTEs in academic year 2006 and an additional 2,687 student FTEs in academic year 2007.

(9) \$2,250,000 of the higher education legacy trust appropriation for fiscal year 2006 and \$2,250,000 of the higher education legacy trust appropriation for fiscal year 2007 are provided solely to increase salaries and related benefits for part-time faculty. A college district may match the state funds with local revenue. The board shall report by January 30, 2006, to the office of financial management and the appropriate fiscal and policy committees of the legislature on (a) the distribution of state funds, and (b) wage adjustments for part-time faculty.

(10) \$2,250,000 of the higher education legacy trust appropriation for fiscal year 2006 and \$2,250,000 of the higher education legacy trust appropriation for fiscal year 2007 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 for faculty who qualify through professional development and training. To the extent general salary increase funding is used to pay faculty increments, the general salary increase shall be reduced by the same amount.

**NEW SECTION. Sec. 604. FOR THE UNIVERSITY OF WASHINGTON**

General Fund--State Appropriation (FY 2006)	...	\$341,066,000
General Fund--State Appropriation (FY 2007)	...	\$348,766,000
General Fund--Private/Local Appropriation	.....	\$300,000
Accident Account--State Appropriation	.....	\$6,219,000
Medical Aid Account--State Appropriation	.....	\$6,153,000
Higher Education Legacy Trust--State Appropriation		\$18,991,000



TOTAL APPROPRIATION . . . . . \$721,495,000

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

(1) \$165,000 of the general fund--state appropriation for fiscal year 2006 and \$165,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of the Puget Sound work plan and agency action item UW-01.

(2) \$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).

(3) \$4,718,000 of the higher education legacy trust appropriation for fiscal year 2006 and \$11,032,000 of the higher education legacy trust appropriation for fiscal year 2007 are provided as the state subsidy for 500 new enrollments at the Seattle campus, 400 new enrollments at the Tacoma campus, and 350 new enrollments at the Bothell campus.

(4) The appropriations for higher education employee compensation increases provided or referenced in this section and described in sections 948 through 979 of this act are estimated to increase the total per student funding by \$585 during the 2005-2007 biennium. This increase in total per student funding is in addition to the tuition revenues that will be generated and retained by the university as a result of the tuition increases that are authorized in section 601 of this act. Given these increases in core funding, the University of Washington shall, by June 30, 2007, show demonstrable progress toward achieving the following six-year programmatic goals:

(a) Improve time to degree as measured by the percent of admitted students who graduate within 125% of the credits required for a degree;

(b) Preserve access for low-income students as measured by the percentage of total degrees awarded to Pell Grant recipients;

(c) Improve freshman retention rates;

(d) Improve and sustain the quality of its degree programs as measured by the number of programs that are ranked in the top twenty nationally;

(e) Sustain the quality of its research programs as measured by the national ranking for federal research grants received; and

(f) Improve its ability to prepare students for the workforce as measured by the job placement or graduate school acceptance rates among graduates.

Specific six-year targets for the goals stated in this subsection shall be established by the university, the office of financial management, and the higher education coordinating board and shall be determined based on the per student funding level assumed in this act.

On or before October 1, 2006, the university shall submit to the higher education coordinating board a report that outlines the institution's progress and ongoing efforts toward meeting the provisions of this section. The higher education coordinating board shall compile and analyze all responses and provide a summary to the governor and the appropriate fiscal and policy committees of the legislature prior to November 1, 2006.

(5) \$200,000 of the general fund--state appropriation for fiscal year 2006 is provided solely to assist the transition of University of Washington-Tacoma and University of Washington-Bothell from branch campuses serving upper-division students, to four-year campuses serving freshmen, sophomores, and upper-division students. Funds may be used to develop curricula, recruit new faculty, and expand student services. Consistent with the recommendations of the higher education coordinating board, UW-Tacoma and UW-Bothell may begin enrolling lower-division students beginning in fiscal year 2007.

(6) \$30,000 of the general fund--state appropriation for fiscal year 2006 and \$30,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for research on labor and economic issues in Washington state through the Harry Bridges center.

(7) \$370,000 of the general fund--state appropriation for fiscal year 2006 and \$370,000 of the general fund--state appropriation for the fiscal year 2007 are provided solely to the Burke Museum to enhance the museum's public outreach capabilities.

(8) \$125,000 of the general fund--state appropriation for fiscal year 2006 and \$125,000 of the general fund--state appropriation for the fiscal year 2007 are provided solely to the institute for learning and brain sciences (ILABS) to develop a partnership, linking ILABS to policymakers, private sectors and user-groups.

(9) The University of Washington medical center shall provide inpatient and outpatient hospital services to offenders confined in department of corrections facilities at a rate no greater than the average rate that the department of corrections has negotiated with other community hospitals in Washington state.

**NEW SECTION. Sec. 605. FOR WASHINGTON STATE UNIVERSITY**

General Fund--State Appropriation (FY 2006) . . . . \$209,959,000

General Fund--State Appropriation (FY 2007) . . . . \$214,271,000

Higher Education Legacy Trust--State Appropriation \$14,353,000

TOTAL APPROPRIATION . . . . . \$438,583,000

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

(1) \$210,000 of the general fund--state appropriation for fiscal year 2006 and \$210,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of the Puget Sound work plan and agency action item WSU-01.

(2) \$3,774,000 of the higher education legacy trust appropriation for fiscal year 2006 and \$8,965,000 of the higher education legacy trust appropriation for fiscal year 2007 are provided as the state subsidy for 600 new enrollments at the Pullman campus, 500 new enrollments at the Vancouver campus, and 25 new enrollments at the Tri-Cities campus.

(3) The appropriations for higher education employee compensation increases provided or referenced in this section and described in sections 948 through 979 of this act are estimated to increase the total per student funding by \$726 during the 2005-2007 biennium. This increase in total per student funding is in addition to the tuition revenues that will be generated and retained by the university as a result of the tuition increases that are authorized in section 601 of this act. Given these increases in core funding, Washington State University shall, by June 30, 2007, show demonstrable progress toward achieving the following six-year programmatic goals:

(a) Improve time to degree as measured by the percent of admitted students who graduate within 125% of the credits required for a degree;

(b) Preserve access for low-income students as measured by the percentage of total degrees awarded to Pell Grant recipients;

(c) Improve freshman retention rates;

(d) Improve and sustain the quality of its degree programs as measured by the number of programs that are ranked in the top twenty nationally;

(e) Sustain the quality of its research programs as measured by the national ranking for federal research grants received; and

(f) Improve its ability to prepare students for the workforce as measured by the job placement or graduate school acceptance rates among graduates.

Specific six-year targets for the goals stated in this subsection shall be established by the university, the office of financial management, and the higher education coordinating board and shall be determined based on the per student funding level assumed in this act.

On or before October 1, 2006 the university shall submit to the higher education coordinating board a report that outlines the institution's progress and ongoing efforts toward meeting the provisions of this section. The higher education coordinating board shall compile and analyze all responses and provide a summary to the governor and the appropriate fiscal and policy committees of the legislature prior to November 1, 2006.

(4) \$507,000 of the higher education legacy trust appropriation for fiscal year 2006 and \$1,014,000 of the higher education legacy trust appropriation for fiscal year 2007 are provided solely to expand the entering class of veterinary medicine students by 16 resident student FTEs each academic year during the 2005-2007 biennium.

(5) \$350,000 of the general fund--state appropriation for fiscal year 2006 is provided solely to assist the transition of Washington State University-Vancouver from a branch campus serving only upper-division students, to a four-year campus serving freshmen, sophomores, and upper-division students. Funds may be used to develop curricula, recruit new faculty, and expand student services. Consistent with the recommendations of the higher education coordinating board, WSU-Vancouver may begin enrolling lower-division students beginning in fiscal year 2007.

(6) The university shall give consideration to reprioritizing agricultural research funding to allow for expansion of the center for precision agricultural systems and development of the biologically intensive and organic agriculture program.

**NEW SECTION. Sec. 606. FOR EASTERN WASHINGTON UNIVERSITY**

General Fund--State Appropriation (FY 2006)	.....	\$46,667,000
General Fund--State Appropriation (FY 2007)	.....	\$47,480,000
Higher Education Legacy Trust--State Appropriation	.	\$9,201,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$103,348,000</b>

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

(1) \$2,993,000 of the higher education legacy trust appropriation for fiscal year 2006 and \$5,986,000 of the higher education legacy trust appropriation for fiscal year 2007 are provided as the state subsidy for 900 new enrollments.

(2) The appropriations for higher education employee compensation increases provided or referenced in this section and described in sections 948 through 979 of this act are estimated to increase the total per student funding by \$480 during the 2005-2007 biennium. This increase in total per student funding is in addition to the tuition revenues that will be generated and retained by the university as a result of the tuition increases that are authorized in section 601 of this act. Given these increases in core funding, Eastern Washington University shall, by June 30, 2007, show demonstrable progress toward achieving the following six-year programmatic goals:

(a) Improve time to degree as measured by the percent of admitted students who graduate within 125% of the credits required for a degree;

(b) Preserve access for low-income students as measured by the percentage of total degrees awarded to Pell Grant recipients;

(c) Improve freshman retention rates;

(d) Improve and sustain the quality of its degree programs as measured by the number of programs that receive national accreditation; and

(e) Improve its ability to prepare students for the workforce as measured by the job placement or graduate school acceptance rates among graduates.

Specific six-year targets for the goals stated in this subsection shall be established by the university, the office of financial management, and the higher education coordinating board and shall be determined based on the per student funding level assumed in this act.

On or before October 1, 2006, the university shall submit to the higher education coordinating board a report that outlines the institution's progress and ongoing efforts toward meeting the provisions of this section. The higher education coordinating board shall compile and analyze all responses and provide a summary to the governor and the appropriate fiscal and policy committees of the legislature prior to November 1, 2006.

**NEW SECTION. Sec. 607. FOR CENTRAL WASHINGTON UNIVERSITY**

General Fund--State Appropriation (FY 2006)	.....	\$46,209,000
General Fund--State Appropriation (FY 2007)	.....	\$47,431,000
Higher Education Legacy Trust--State Appropriation	.	\$8,979,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$102,619,000</b>

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

(1) \$2,993,000 of the higher education legacy trust appropriation for fiscal year 2006 and \$5,986,000 of the higher education legacy trust appropriation for fiscal year 2007 are provided as the state subsidy for 900 new enrollments.

(2) The appropriations for higher education employee compensation increases provided or referenced in this section and described in sections 948 through 979 of this act are estimated to increase the total per student funding by \$499 during the 2005-2007 biennium. This increase in total per student funding is in addition to the tuition revenues that will be generated and retained by the university as a result of the tuition increases that are authorized in section 601 of this act. Given these increases in core funding, Central Washington University shall, by June 30, 2007, show demonstrable progress toward achieving the following six-year programmatic goals:

(a) Improve time to degree as measured by the percent of admitted students who graduate within 125% of the credits required for a degree;

(b) Preserve access for low-income students as measured by the percentage of total degrees awarded to Pell Grant recipients;

(c) Improve freshman retention rates;

(d) Improve and sustain the quality of its degree programs as measured by the number of programs that receive national accreditation; and

(e) Improve its ability to prepare students for the workforce as measured by the job placement or graduate school acceptance rates among graduates.

Specific six-year targets for the goals stated in this subsection shall be established by the university, the office of financial management, and the higher education coordinating board and shall be determined based on the per student funding level assumed in this act.

On or before October 1, 2006, the university shall submit to the higher education coordinating board a report that outlines the institution's progress and ongoing efforts toward meeting the provisions of this section. The higher education coordinating board shall compile and analyze all responses and provide a summary to the governor and the appropriate fiscal and policy committees of the legislature prior to November 1, 2006.

(3) For the 2006-07 and 2007-08 academic years, the legislature hereby increases the limit on total gross authorized operating fees revenue waived, exempted, or reduced by Central Washington University pursuant to RCW 28B.15.910 to eleven percent.

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

General Fund--State Appropriation (FY 2006)	.....	\$25,861,000
General Fund--State Appropriation (FY 2007)	.....	\$26,404,000
Higher Education Legacy Trust--State Appropriation	.	\$2,546,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$54,811,000</b>

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

(1) \$849,000 of the higher education legacy trust appropriation for fiscal year 2006 and \$1,697,000 of the higher education legacy trust appropriation for fiscal year 2007 are provided as the state subsidy for 250 new enrollments.

(2) The appropriations for higher education employee compensation increases provided or referenced in this section and described in sections 948 through 979 of this act are estimated to increase the total per student funding by \$482 during the 2005-2007 biennium. This increase in total per student funding is in addition to the tuition revenues that will be generated and retained by the college as a result of the tuition increases that are authorized in section 601 of this act. Given these increases in core funding, The Evergreen State College shall, by June 30, 2007, show demonstrable progress toward achieving the following six-year programmatic goals:

(a) Improve time to degree as measured by the percent of admitted students who graduate within 125% of the credits required for a degree;

(b) Preserve access for low-income students as measured by the percentage of total degrees awarded to Pell Grant recipients;

(c) Improve freshman retention rates;

(d) Improve and sustain the quality of its degree programs as measured by the number of programs that receive national accreditation;

(e) Improve its ability to prepare students for the workforce as measured by the job placement or graduate school acceptance rates among graduates.

Specific six-year targets for the goals stated in this subsection shall be established by the university, the office of financial management, and the higher education coordinating board and shall be determined based on the per student funding level assumed in this act.

On or before October 1, 2006, the university shall submit to the higher education coordinating board a report that outlines the institution's progress and ongoing efforts toward meeting the provisions of this section. The higher education coordinating board shall compile and analyze all responses and provide a summary to the governor and the appropriate fiscal and policy committees of the legislature prior to November 1, 2006.

(3) \$40,000 of the general fund--state appropriation for fiscal year 2006 and \$10,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the Washington state institute for public policy to conduct an analysis of the availability, services, and effectiveness of programs in community and technical colleges that serve the educational needs of recent immigrant students who are not proficient in English and who are or have been enrolled in high school but have not met graduation requirements. The analysis shall include, but not be limited to, the type of programs provided, the geographic availability of programs, the identification of best practices, how the programs are funded, and the effectiveness of the programs. The analysis shall also include recommendations for improving the programs to better meet the needs of recent immigrant students and for expanding the availability of programs statewide. A report shall be submitted to the fiscal and education committees of the legislature, the superintendent of public instruction, and the state board for community and technical colleges by December 1, 2006.

**NEW SECTION. Sec. 609. FOR WESTERN WASHINGTON UNIVERSITY**

General Fund--State Appropriation (FY 2006)	.....	\$59,957,000
General Fund--State Appropriation (FY 2007)	.....	\$61,316,000
Higher Education Legacy Trust--State Appropriation	.....	\$4,234,000
<b>TOTAL APPROPRIATION</b>	<b>.....</b>	<b>\$125,507,000</b>

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

(1) \$1,348,000 of the higher education legacy trust appropriation for fiscal year 2006 and \$2,695,000 of the higher education legacy trust appropriation for fiscal year 2007 are provided as the state subsidy for 400 new enrollments.

(2) The appropriations for higher education employee compensation increases provided or referenced in this section and described in sections 948 through 979 of this act are estimated to increase the total per student funding by \$486 during the 2005-2007 biennium. This increase in total per student funding is in addition to the tuition revenues that will be generated and retained by the university as a result of the tuition increases that are authorized in section 601 of this act. Given these increases in core funding, Western Washington University shall, by June 30, 2007, show demonstrable progress toward achieving the following six-year programmatic goals:

(a) Improve time to degree as measured by the percent of admitted students who graduate within 125% of the credits required for a degree;

(b) Preserve access for low-income students as measured by the percentage of total degrees awarded to Pell Grant recipients;

(c) Improve freshman retention rates;

(d) Improve and sustain the quality of its degree programs as measured by the number of programs that receive national accreditation; and

(e) Improve its ability to prepare students for the workforce as measured by the job placement or graduate school acceptance rates among graduates.

Specific six-year targets for the goals stated in this subsection shall be established by the university, the office of financial management, and the higher education coordinating board and shall be determined based on the per student funding level assumed in this act.

On or before October 1, 2006, the university shall submit to the higher education coordinating board a report that outlines the institution's progress and ongoing efforts toward meeting the provisions of this section. The higher education coordinating board shall compile and analyze all responses and provide a summary to the governor and the appropriate fiscal and policy committees of the legislature prior to November 1, 2006.

(3) Access to baccalaureate and graduate degree programs continues to be limited for residents of North Snohomish, Island, and Skagit counties. The higher education consortium created to serve the region has not been able to successfully address the region's access needs. The university center model of service delivery, centered on a community college campus with a single point of accountability, has proven more effective in developing degree programs and attracting students.

Therefore, the management and leadership responsibility for consortium operations are assigned to Everett community college. Everett community college shall collaborate with community and business leaders, other local community colleges, the public four-year institutions of higher education, and the higher education coordinating board to develop an educational plan for the North Snohomish, Island, and Skagit county region based on the university center model.

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

General Fund--State Appropriation (FY 2006)	.....	\$2,339,000
General Fund--State Appropriation (FY 2007)	.....	\$2,321,000
General Fund--Federal Appropriation	.....	\$4,274,000
<b>TOTAL APPROPRIATION</b>	<b>.....</b>	<b>\$8,934,000</b>

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

General Fund--State Appropriation (FY 2006)	....	\$171,665,000
General Fund--State Appropriation (FY 2007)	....	\$180,758,000
General Fund--Federal Appropriation	.....	\$13,060,000
Higher Education Legacy Trust--State Appropriation	.....	\$11,008,000
<b>TOTAL APPROPRIATION</b>	<b>.....</b>	<b>\$376,491,000</b>

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

(1) \$299,000 of the general fund--state appropriation for fiscal year 2006 and \$308,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the western interstate commission for higher education.

(2) \$75,000 of the general fund--state appropriation for fiscal year 2006 and \$75,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for higher education student child care matching grants under chapter 28B.135 RCW.

(3) \$25,000 of the general fund--state appropriation for fiscal year 2006 and \$25,000 of the general fund--state appropriation for fiscal year 2007 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 2005-06 and 2006-07 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.

(4) \$133,142,000 of the general fund--state appropriation for fiscal year 2006, \$142,293,000 of the general fund--state appropriation for fiscal year 2007, \$2,470,000 of the higher education legacy trust appropriation for fiscal year 2006, and \$5,467,000 of the higher education legacy trust appropriation for fiscal year 2007 are provided solely for the state need grant program. After April 1st 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.

(5) \$250,000 of the general fund--state appropriation for fiscal year 2006 and \$250,000 of the general fund--state appropriation for fiscal year 2007 are provided solely to implement House Bill No. 1345 (part-time student financial aid). If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse. It is the intent of the legislature that these amounts be made available only to eligible students who are attending or planning on attending a Washington state public community or technical college. The board may not expend more than the amount provided in this subsection to implement the bill.

(6) \$75,000 of the general fund--state appropriation for fiscal year 2006 and \$75,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for the implementation of Second Substitute House Bill No. 1050 (foster care endowed scholarship program). The purpose of the program is to help students who are or were in foster care attend an institution of higher education in the state of Washington. If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

(7) \$250,000 of the general fund--state appropriation for fiscal year 2006 and \$250,000 of the general fund--state appropriation for the fiscal year 2007 are provided solely to support the future teachers' conditional scholarship and loan repayment program.

(8) \$17,048,000 of the general fund--state appropriation for fiscal year 2006, \$17,048,000 of the general fund--state appropriation for fiscal year 2007, \$929,000 of the higher education legacy trust appropriation for fiscal year 2006, and \$2,142,000 of the higher education legacy trust appropriation for fiscal year 2007 are provided solely for the state work study program. After April 1st 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 (11) of this section, four percent of the general fund--state amount in this subsection may be expended for state work study program administration.

(9) \$2,867,000 of the general fund--state appropriation for fiscal year 2006 and \$2,867,000 of the general fund--state appropriation for fiscal year 2007 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.

(10) \$2,208,319 of the general fund--state appropriation for fiscal year 2006 and \$2,206,293 of the general fund--state appropriation for fiscal year 2007 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. Amounts provided in this subsection are sufficient for the higher education coordinating board to select two Washington scholars annually from each legislative district under the provisions of RCW 28A.600.100 through 28A.600.150.

(11) \$794,000 of the general fund--state appropriation for fiscal year 2006 and \$846,000 of the general fund--state appropriation for fiscal year 2007 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.

(12) \$246,000 of the general fund--state appropriation for fiscal year 2006 and \$246,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for community scholarship matching grants of \$2,000 each and up to a total of \$46,000 per year in grants for nonprofit community organizations with preference given to organizations affiliated with scholarship America to administer the scholarship matching grants. 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 section. An organization may receive more than one \$2,000 matching grant and preference shall be given to organizations affiliated with scholarship America.

(13) Subject to state need grant service requirements pursuant to chapter 28B.119 RCW, \$8,288,104 of the general fund--state appropriation for fiscal year 2006 and \$8,215,321 of the general fund--state appropriation for fiscal year 2007 are provided solely for the Washington promise scholarship program. For fiscal year 2006, the income eligibility for the graduating high school class of 2005 shall not exceed one hundred twenty percent of the state median family income adjusted for family size. The income eligibility for the graduating high school class of 2004 shall be retained at one hundred thirty-five percent of the state median family income adjusted for family size.

(14) \$2,872,000 of the general fund--state appropriation for fiscal year 2006 and \$2,872,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for financial aid administration, in addition to the four percent cost allowance provision for state work study under subsection (5) 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.

**NEW SECTION. Sec. 612. FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD**

General Fund--State Appropriation (FY 2006) . . . . .	\$1,209,000
General Fund--State Appropriation (FY 2007) . . . . .	\$1,189,000
General Fund--Federal Appropriation . . . . .	\$53,849,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$56,247,000</b>

**NEW SECTION. Sec. 613. FOR THE SPOKANE INTERCOLLEGIATE RESEARCH AND TECHNOLOGY INSTITUTE**

General Fund--State Appropriation (FY 2006) . . . . .	\$1,479,000
General Fund--State Appropriation (FY 2007) . . . . .	\$1,493,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$2,972,000</b>

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

The legislature finds that economic development, especially in emerging technologies, is critical to Spokane and Eastern Washington. The principal goal of the state's investment in the Spokane intercollegiate research and technology institute (SIRTI) is to bridge the gap between academic discovery and economic development, thereby leveraging the state's investment in research. However, it is essential to find appropriate ways to mark the success of these efforts. By September 15, 2005, SIRTI shall develop a plan for review by the house of representatives higher education committee and the senate labor, commerce, research and development committee, describing the agency's strategy and budget for commercial application of academic research. The plan shall include actions to be taken to select, develop, commercialize, and graduate clients. The plan shall also detail how to measure significant impacts to the overall economic climate of the Spokane region, including job creation and wages, that are attributable to SIRTI.

**NEW SECTION. Sec. 614. FOR THE WASHINGTON STATE ARTS COMMISSION**

General Fund--State Appropriation (FY 2006) . . . . .	\$2,304,000
General Fund--State Appropriation (FY 2007) . . . . .	\$2,311,000
General Fund--Federal Appropriation . . . . .	\$1,300,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$5,915,000</b>

**NEW SECTION. Sec. 615. FOR THE WASHINGTON STATE HISTORICAL SOCIETY**

General Fund--State Appropriation (FY 2006) . . . . .	\$2,748,000
General Fund--State Appropriation (FY 2007) . . . . .	\$2,556,000
<b>TOTAL APPROPRIATION . . . . .</b>	<b>\$5,304,000</b>

The appropriations in this section are subject to the following condition and limitation: \$33,000 of the general fund--state appropriation for fiscal year 2006 is provided solely for the advisory

committee and staff associated with the Lewis and Clark Corps of Discovery II bicentennial commemoration.

**NEW SECTION. Sec. 616. FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY**

General Fund--State Appropriation (FY 2006)	.....	\$1,539,000
General Fund--State Appropriation (FY 2007)	.....	\$1,562,000
TOTAL APPROPRIATION	.....	\$3,101,000

**NEW SECTION. Sec. 617. FOR THE STATE SCHOOL FOR THE BLIND**

General Fund--State Appropriation (FY 2006)	.....	\$5,036,000
General Fund--State Appropriation (FY 2007)	.....	\$5,018,000
General Fund--Private/Local Appropriation	.....	\$1,335,000
TOTAL APPROPRIATION	.....	\$11,389,000

**NEW SECTION. Sec. 618. FOR THE STATE SCHOOL FOR THE DEAF**

General Fund--State Appropriation (FY 2006)	.....	\$8,279,000
General Fund--State Appropriation (FY 2007)	.....	\$8,256,000
General Fund--Private/Local Appropriation	.....	\$232,000
TOTAL APPROPRIATION	.....	\$16,767,000

**PART VII  
SPECIAL APPROPRIATIONS**

**NEW SECTION. Sec. 701. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT**

General Fund--State Appropriation (FY 2006)	.....	\$654,444,000
General Fund--State Appropriation (FY 2007)	.....	\$708,119,000
State Building Construction Account--State Appropriation	.....	\$3,924,000
State Taxable Building Construction Account--State Appropriation	.....	\$3,100,000
Gardner-Evans Higher Education Construction Account--State Appropriation	.....	\$1,215,000
Debt-limit General Fund Bond Retirement Account--State Appropriation	.....	\$4,113,000
Debt-Limit Reimbursable Bond Retirement Account--State Appropriation	.....	\$2,583,000
TOTAL APPROPRIATION	.....	\$1,374,537,000

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 2006 shall be deposited in the debt-limit general fund bond retirement account by June 30, 2006.

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

State Convention and Trade Center Account--State Appropriation	.....	\$39,411,000
Accident Account--State Appropriation	.....	\$5,111,000
Medical Aid Account--State Appropriation	.....	\$5,111,000
TOTAL APPROPRIATION	.....	\$39,633,000

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

General Fund--State Appropriation (FY 2006)	.....	\$24,588,000
General Fund--State Appropriation (FY 2007)	.....	\$26,743,000
Nondebt-Limit Reimbursable Bond Retirement Account--State Appropriation	.....	\$131,844,000
TOTAL APPROPRIATION	.....	\$183,175,000

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.

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

General Fund--State Appropriation (FY 2006)	.....	\$1,357,000
General Fund--State Appropriation (FY 2007)	.....	\$1,357,000
State Building Construction Account--State Appropriation	.....	\$1,080,000
State Taxable Building Construction Account--State Appropriation	.....	\$1,100,000
Gardner-Evans Higher Education Construction Account--State Appropriation	.....	\$452,000
TOTAL APPROPRIATION	.....	\$4,259,000

**NEW SECTION. Sec. 705. FOR THE OFFICE OF FINANCIAL MANAGEMENT--FIRE CONTINGENCY POOL**

Disaster Response Account--State Appropriation	.....	\$4,000,000
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The sum of \$4,000,000 is appropriated from the disaster response account for the purpose of making allocations to the Washington state patrol for fire mobilizations costs or to the department of natural resources for fire suppression costs.

**NEW SECTION. Sec. 706. FOR THE OFFICE OF FINANCIAL MANAGEMENT--EMERGENCY FUND**

General Fund--State Appropriation (FY 2006)	.....	\$1,100,000
General Fund--State Appropriation (FY 2007)	.....	\$1,100,000
TOTAL APPROPRIATION	.....	\$2,200,000

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

- (1) The appropriations in this section are for the governor's emergency fund for the critically necessary work of any agency.
- (2) \$250,000 of the general fund--state appropriation for fiscal year 2006 and \$250,000 of the general fund--state appropriation for fiscal year 2007 are provided solely for grants to state agencies or units of local government that experience increased costs in complying with public records disclosure requests as a result of Second Substitute House Bill No. 1758 (public disclosure). The office of financial management shall determine the amounts of the grants to be provided pursuant to this subsection. If the bill is not enacted by June 30, 2005, the amounts provided in this subsection shall lapse.

**NEW SECTION. Sec. 707. FOR THE OFFICE OF FINANCIAL MANAGEMENT--SEX OFFENDER SENTENCING IMPACT**

General Fund--State Appropriation (FY 2006)	.....	\$45,000
General Fund--State Appropriation (FY 2007)	.....	\$792,000
TOTAL APPROPRIATION	.....	\$837,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for distribution to counties to pay for the costs of implementing chapter 176, Laws of 2004, which makes amendments to the special sex offender sentencing alternative.

**NEW SECTION. Sec. 708. FOR THE OFFICE OF FINANCIAL MANAGEMENT--SMALL AGENCY INFORMATION TECHNOLOGY POOL**

General Fund--State Appropriation (FY 2006)	.....	\$500,000
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The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for deposit into the data processing revolving account.

**NEW SECTION. Sec. 709. FOR THE OFFICE OF FINANCIAL MANAGEMENT--CAPITOL BUILDING CONSTRUCTION ACCOUNT**

General Fund--State Appropriation (FY 2006)	.....	\$600,000
General Fund--State Appropriation (FY 2007)	.....	\$1,000,000
TOTAL APPROPRIATION	.....	\$1,600,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for deposit in the capitol building construction account.

**NEW SECTION. Sec. 710. FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT-- COUNTY PUBLIC HEALTH ASSISTANCE**

Health Services Account--State Appropriation . . . . \$48,000,000

The appropriation in this section is subject to the following conditions and limitations: The director of the department of community, trade, and economic development shall distribute the appropriations to the following counties and health districts in the amounts designated:

Health District	FY 2006	FY 2007	FY 2005-07 Biennium
Adams County Health District	\$30,951	\$30,951	\$61,902
Asotin County Health District	\$67,714	\$67,714	\$135,428
Benton-Franklin Health District	\$1,656	\$1,656	\$2,331
Chelan-Douglas Health District	\$184,761	\$184,761	\$369,522
Clallam County Health and Human Services Department	\$141,752	\$141,752	\$283,504
Southwest Washington Health District	\$1,084	\$1,084	\$2,168
Columbia County Health District	\$40,529	\$40,529	\$81,058
Cowlitz County Health Department	\$278,560	\$278,560	\$557,120
Garfield County Health District	\$15,028	\$15,028	\$30,056
Grant County Health District	\$118,595	\$118,595	\$237,191
Grays Harbor Health Department	\$183,870	\$183,870	\$367,740
Island County Health Department	\$91,892	\$91,892	\$183,784
Jefferson County Health and Human Services	\$85,782	\$85,782	\$171,564
Seattle-King County Department of Public Health	\$9,531	\$9,531	\$19,062
Bremerton-Kitsap County Health District	\$554,669	\$554,669	\$1,109,338
Kittitas County Health Department	\$92,499	\$92,499	\$184,998
Klickitat County Health Department	\$62,402	\$62,402	\$124,804
Lewis County Health Department	\$105,801	\$105,801	\$211,602
Lincoln County Health Department	\$29,705	\$29,705	\$59,410
Mason County Department of Health Services	\$95,988	\$95,988	\$191,976
Okanogan County Health District	\$63,458	\$63,458	\$126,916
Pacific County Health Department	\$77,427	\$77,427	\$154,854
Tacoma-Pierce County Health Department	\$2,820	\$2,820	\$5,641
San Juan County Health and Community Services	\$37,531	\$37,531	\$75,062
Skagit County Health Department	\$223,927	\$223,927	\$447,854
Snohomish Health District	\$2,582	\$2,582	\$4,516
	07	07	07

Spokane County Health District	\$2,014	\$2,014	\$4,202
	29	29	58
Northeast Tri-County Health District	\$110,454	\$110,454	\$220,908
Thurston County Health Department	\$600,419	\$600,419	\$1,200,838
Wahkiakum County Health Department	\$13,773	\$13,773	\$27,545
Walla Walla County-City Health Department	\$172,062	\$172,062	\$344,124
Whatcom County Health Department	\$855,863	\$855,863	\$1,711,726
Whitman County Health Department	\$78,733	\$78,733	\$157,466
Yakima Health District	\$623,797	\$623,797	\$1,247,594
<b>TOTAL APPROPRIATIONS</b>	<b>\$24,000,000</b>	<b>\$24,000,000</b>	<b>\$48,000,000</b>

**NEW SECTION. Sec. 711. BELATED CLAIMS.** The agencies and institutions of the state may expend moneys appropriated in this act, upon approval of the office of financial management, for the payment of supplies and services furnished to the agency or institution in prior fiscal biennia.

**NEW SECTION. Sec. 712.** A new section is added to 2003 1st sp.s. c 25 (unmodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT-- INDIVIDUAL DEVELOPMENT ACCOUNT**

General Fund--State Appropriation (FY 2006)	\$510,000
General Fund--State Appropriation (FY 2007)	\$511,000
<b>TOTAL APPROPRIATION</b>	<b>\$1,021,000</b>

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for deposit in the individual development account. If House Bill No. 1408 is not enacted by June 30, 2005, these amounts shall lapse.

**NEW SECTION. Sec. 713. 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, 2005, 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 2006)	\$31,400,000
General Fund--State Appropriation (FY 2007)	\$37,400,000

(2) There is appropriated for contributions to the judicial retirement system:

General Fund--State Appropriation (FY 2006)	\$6,000,000
General Fund--State Appropriation (FY 2007)	\$6,000,000

(3) There is appropriated for contributions to the judges retirement system:

General Fund--State Appropriation (FY 2006)	\$300,000
General Fund--State Appropriation (FY 2007)	\$300,000
<b>TOTAL APPROPRIATION</b>	<b>\$81,400,000</b>

**NEW SECTION. Sec. 714. FOR THE OFFICE OF FINANCIAL MANAGEMENT--EDUCATION TECHNOLOGY REVOLVING ACCOUNT**

General Fund--State Appropriation (FY 2006)	\$6,840,000
General Fund--State Appropriation (FY 2007)	\$6,840,000

TOTAL APPROPRIATION . . . . . \$13,680,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for deposit in the education technology revolving account for the purpose of covering ongoing operational and equipment replacement costs incurred by the K-20 educational network program in providing telecommunication services to network participants.

**NEW SECTION. Sec. 715. FOR THE OFFICE OF FINANCIAL MANAGEMENT--BASE REALIGNMENT AND CLOSURE ASSISTANCE**

General Fund--State Appropriation (FY 2006) . . . . . \$150,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for grants to support projects in Island county, Kitsap county, Pierce county, Snohomish county, and Spokane county when a military base in that county is at risk of being identified for closure on the federal base realignment and closure process. The office of financial management shall establish a process for selecting projects for funding based on criteria used to determine the federal base realignment and closure list and recommendations by the department of community, trade, and economic development and the military department. Final allocation of the grants shall be at the discretion and with the approval of the director of the office of financial management.

**NEW SECTION. Sec. 716. FOR THE GOVERNOR--LIFE SCIENCES DISCOVERY FUND AUTHORITY**

General Fund--State Appropriation (FY 2006) . . . . . \$500,000

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

(1) The appropriation in this section is provided solely for a grant to the life sciences discovery fund authority to be used in accordance with Second Substitute House Bill No. 1623 or Engrossed Second Substitute Senate Bill No. 5581 (life sciences). If neither bill is enacted by June 30, 2005, the appropriation in this section shall lapse.

(2) The amount provided in this section constitutes a loan from the state general fund to the life sciences discovery fund authority pending the state's receipt of strategic contribution payments under the master settlement agreement with the major manufacturers of tobacco. Upon the state's receipt of the first such strategic contribution payment in 2008, the authority shall reimburse the state general fund with revenues from such payments that are made available to the authority.

**NEW SECTION. Sec. 717. DOUBLE-FILLED PERSONNEL POSITIONS.**

From appropriations in this act, the director of financial management shall reduce general fund--state appropriations for fiscal year 2006 by \$1,333,000 and general fund--state appropriations for fiscal year 2007 by \$2,667,000 to reflect the elimination of double-filled personnel positions in which two or more persons occupy the same position in the state personnel system. The allotment reductions shall be placed in unallotted status and remain unexpended.

**NEW SECTION. Sec. 718. CRITICAL HIGH DEMAND EMPLOYEES.**

From the funds placed in unallotted status under section 717 of this act, the office of financial management may allot up to \$1,333,000 for fiscal year 2006 and \$2,667,000 for fiscal year 2007 to meet critical staffing needs of state agencies, particularly need for employees with high degrees of technical skill in high-demand nonmanagerial occupations. In no event may any of these funds be used, directly or indirectly, to increase employee compensation.

**NEW SECTION. Sec. 719. FOR THE OFFICE OF THE GOVERNOR--JOINT TASK FORCE ON MENTAL HEALTH**

General Fund--State Appropriation (FY 2006) . . . . . \$25,000

General Fund--State Appropriation (FY 2007) . . . . . \$25,000  
TOTAL APPROPRIATION . . . . . \$50,000

The appropriations in this section are subject to the following conditions and limitations: Amounts are provided for the task force created in House Bill No. 1290 (community mental health). If House Bill No. 1290 is not enacted by June 30, 2005, the amounts provided in this section shall lapse.

**NEW SECTION. Sec. 720. STRATEGIC PURCHASING STRATEGY.**

(1) The office of financial management shall work with the appropriate state agencies to generate savings of \$50,000,000, of which \$25,000,000 shall be from the state general fund, that can arise from a strategic purchasing strategy. From appropriations in this act, the office of financial management shall reduce general fund--state allotments by \$8 million for fiscal year 2006 and by \$17 million for fiscal year 2007 to reflect the savings from the strategic purchasing strategy. The allotment reductions shall be placed in unallotted status and remain unexpended.

(2) The department of general administration, with the assistance of the department of information services and the department of printing and in consultation with the office of financial management, shall conduct an analysis of the state's purchasing processes to identify the most reasonable strategy of attaining a statewide savings target of \$50,000,000 without affecting direct program activities. The analysis shall identify savings by agency and fund that will result from the implementation of a strategic purchasing strategy. The results of this analysis shall then be provided to the director of financial management by October 1, 2005, so the director may use it as the basis to achieve the savings identified in subsection (1) of this section.

(3) Before the purchase of goods and services, all state agencies and higher education institutions shall first consider the utilization of current or existing master contracts. All state agencies and higher education institutions shall strive to use master contracts when that use is consistent with the agency's requirements and purchase is financially cost-effective.

**NEW SECTION. Sec. 721. WASHINGTON MANAGEMENT SERVICES MIDDLE MANAGEMENT REDUCTION.**

(1) Appropriations made in this act assume the reduction of 1,000 middle managers.

(2) The office of financial management shall report to the fiscal committees of the legislature on the implementation of reduction no later than June 30, 2006, and again no later than June 30, 2007. The report will include the following information for each position eliminated: (a) Job classification; (b) date the position was eliminated; (c) the amount saved by fund source; (d) whether the employee who previously held the vacated position still works in another position within the agency; and (e) whether the employee who previously held the vacated position still works in any other state agency.

**NEW SECTION. Sec. 722. FOR THE OFFICE OF FINANCIAL MANAGEMENT--EXTRAORDINARY CRIMINAL JUSTICE COSTS**

General Fund--State Appropriation (FY 2006) . . . . . \$70,000

The appropriation in this section is subject to the following conditions and limitations: The director of financial management shall distribute the appropriation to the following county in the amounts designated for extraordinary criminal justice costs:

Grant . . . . . \$70,000

**NEW SECTION. Sec. 723. INCENTIVE SAVINGS--FY 2006.**

The sum of one hundred million dollars or so much thereof as may be available on June 30, 2006, from the total amount of unspent fiscal year 2006 state general fund appropriations is appropriated for the purposes of RCW 43.79.460 in the manner provided in this section.

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

(2) The remainder of the total amount, not to exceed seventy-five million dollars, is appropriated to the education savings account.

**NEW SECTION. Sec. 724. INCENTIVE SAVINGS--FY 2007.** The sum of one hundred million dollars or so much thereof as may be available on June 30, 2007, from the total amount of unspent fiscal year 2007 state general fund appropriations is appropriated for the purposes of RCW 43.79.460 in the manner provided in this section.

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

(2) The remainder of the total amount, not to exceed seventy-five million dollars, is appropriated to the education savings account.

**NEW SECTION. Sec. 725. NONREPRESENTED EMPLOYEE SALARY COST OF LIVING ADJUSTMENT**

General Fund--State Appropriation (FY 2006)	.....	\$11,425,000
General Fund--State Appropriation (FY 2007)	.....	\$19,628,000
General Fund--Federal Appropriation	.....	\$7,566,000
General Fund--Private/Local Appropriation	.....	\$727,000
Dedicated Funds and Accounts Appropriation	.....	\$24,203,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$63,549,000</b>

The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the following conditions and limitations:

(1) In addition to the purposes set forth in subsections (2) and (3) of this section, appropriations in this section are provided solely for a 3.2% increase effective September 1, 2005, for all classified employees, except those represented by a collective bargaining unit under the personnel system reform act of 2002, and except the certificated employees covered by the provisions of Initiative Measure No. 732. Also included are employees in the Washington management service, and exempt employees under the jurisdiction of the personnel resources board or the director of personnel, as applicable.

(2) The appropriations are also sufficient to fund a 3.2% salary increase effective September 1, 2005, for general government, legislative, and judicial employees exempt from merit system rules whose maximum salaries are not set by the commission on salaries for elected officials.

(3) Appropriations in this section are provided for a 1.6% salary increase effective September 1, 2006, until June 30, 2007, for all classified employees, except those represented by a collective bargaining unit under the personnel system reform act of 2002, and except the certificated employees covered by the provisions of Initiative Measure No. 732. Also included are employees in the Washington management service, and exempt employees under the jurisdiction of the personnel resources board or the director of personnel, as applicable. The appropriations are also sufficient to fund a 1.6% salary increase effective September 1, 2006, until June 30, 2007, for general government, legislative, and judicial employees exempt from merit system rules whose maximum salaries are not set by the commission on salaries for elected officials.

(4)(a) No salary increase may be paid under this section to any person whose salary has been Y-rated pursuant to rules adopted by the personnel resources board or the director of personnel, as applicable.

(b) The average salary increases paid under this section to agency officials whose maximum salaries are established by the committee on agency official salaries shall not exceed the average increases provided under subsections (2) and (3) of this section.

The office of financial management shall update agency appropriations schedules to reflect the addition of the funding in this section, as identified by agency and account in LEAP document 2005-33 dated April 3, 2005.

**NEW SECTION. Sec. 726. NONREPRESENTED EMPLOYEE SALARY SURVEY**

General Fund--State Appropriation (FY 2006)	.....	\$4,169,000
General Fund--State Appropriation (FY 2007)	.....	\$4,412,000
General Fund--Federal Appropriation	.....	\$1,655,000
General Fund--Private/Local Appropriation	.....	\$314,000
Dedicated Funds and Accounts Appropriation	.....	\$6,257,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$16,807,000</b>

The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the following conditions and limitations: For state employees, except those represented by a bargaining unit under the personnel system reform act of 2002, funding is provided for implementation of the department of personnel's 2002 salary survey, for job classes more than 25% below market rates.

The office of financial management shall update agency appropriations schedules to reflect the addition of the funding in this section, as identified by agency and account in LEAP document 2005-78Z dated March 28, 2005.

**NEW SECTION. Sec. 727. CLASSIFICATION REVISIONS**

General Fund--State Appropriation (FY 2006)	.....	\$566,000
General Fund--State Appropriation (FY 2007)	.....	\$1,144,000
General Fund--Federal Appropriation	.....	\$250,000
General Fund--Private/Local Appropriation	.....	\$3,000
Dedicated Funds and Accounts Appropriation	.....	\$1,023,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$2,976,000</b>

The appropriations in this section, or as much thereof as may be necessary, shall be expended solely for the purposes designated in this section and are subject to the following conditions and limitations: Funding is provided for partial implementation of classification consolidation and revisions under the personnel system reform act of 2002. Groups 2 and 3 of the department of personnel's initial class consolidation plan are affected.

The office of financial management shall update agency appropriations schedules to reflect the addition of the funding in this section, as identified by agency and account in OFM document 2005-07-8Q dated March 21, 2005.

**NEW SECTION. Sec. 728. COLLECTIVE BARGAINING AGREEMENTS.** Provisions of the collective bargaining agreements contained in sections 729 through 735 are described in general terms. Only major economic terms are included in the descriptions. These descriptions do not contain the complete contents of the agreements.

**NEW SECTION. Sec. 729. COLLECTIVE BARGAINING AGREEMENT--WFSE**

General Fund--State Appropriation (FY 2006)	.....	\$21,730,000
General Fund--State Appropriation (FY 2007)	.....	\$31,698,000
General Fund--Federal Appropriation	.....	\$23,895,000
General Fund--Private/Local Appropriation	.....	\$2,233,000
Dedicated Funds and Accounts Appropriation	.....	\$37,693,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$117,229,000</b>

The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the following conditions and limitations: Funding is provided for the collective bargaining agreement reached between the governor and the Washington federation of state employees under the personnel system reform act of 2002. For employees covered under this agreement, funding is provided for a 3.2% salary increase effective July 1, 2005. Funding is also provided for a 1.6% increase effective July 1, 2006, until June 30, 2007, and for implementation of the department of personnel 2002 salary survey for classes more than 25% below market rates.



The office of financial management shall update agency appropriations schedules to reflect the addition of the funding in this section, as identified by agency and account in LEAP document 2005-780 dated March 28, 2005.

**NEW SECTION. Sec. 730. COLLECTIVE BARGAINING AGREEMENT--WPEA**

General Fund--State Appropriation (FY 2006)	.....	\$1,859,000
General Fund--State Appropriation (FY 2007)	.....	\$2,750,000
General Fund--Federal Appropriation	.....	\$647,000
General Fund--Private/Local Appropriation	.....	\$74,000
Dedicated Funds and Accounts Appropriation	.....	\$5,198,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$10,528,000</b>

The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the following conditions and limitations: Funding is provided for the collective bargaining agreement reached between the governor and the Washington public employees association under the personnel system reform act of 2002. For employees covered under this agreement, funding is provided for a 3.2% salary increase effective July 1, 2005. Funding is also provided for a 1.6% increase effective July 1, 2006, until June 30, 2007, and for implementation of the department of personnel 2002 salary survey for classes more than 25% below market rates.

The office of financial management shall update agency appropriations schedules to reflect the addition of the funding in this section, as identified by agency and account in LEAP document 2005-781 dated March 28, 2005.

**NEW SECTION. Sec. 731. COLLECTIVE BARGAINING AGREEMENT--UFCW**

Dedicated Funds and Accounts Appropriation	.....	\$1,138,000
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The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the following conditions and limitations: Funding is provided for the collective bargaining agreement reached between the governor and the united food and commercial workers under the personnel system reform act of 2002. For employees covered under this agreement, funding is provided for a 3.2% salary increase effective July 1, 2005. Funding is also provided for a 1.6% increase effective July 1, 2006, until June 30, 2007.

**NEW SECTION. Sec. 732. COLLECTIVE BARGAINING AGREEMENT--TEAMSTERS**

General Fund--State Appropriation (FY 2006)	.....	\$7,325,000
General Fund--State Appropriation (FY 2007)	.....	\$13,613,000
Dedicated Funds and Accounts Appropriation	.....	\$3,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$20,941,000</b>

The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the following conditions and limitations: Funding is provided for the collective bargaining agreement reached between the governor and the brotherhood of teamsters under the personnel system reform act of 2002. For employees covered under this agreement, funding is provided for a 3.2% salary increase effective July 1, 2005. Funding is also provided for a 2.9% increase effective July 1, 2006, until June 30, 2007, and for implementation of the department of personnel 2002 salary survey for classes more than 25% below market rates.

**NEW SECTION. Sec. 733. COLLECTIVE BARGAINING AGREEMENT--COALITION**

General Fund--State Appropriation (FY 2006)	.....	\$701,000
General Fund--State Appropriation (FY 2007)	.....	\$926,000
General Fund--Federal Appropriation	.....	\$86,000
General Fund--Private/Local Appropriation	.....	\$225,000
Dedicated Funds and Accounts Appropriation	.....	\$3,245,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$5,183,000</b>

The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the following conditions and limitations: Funding is provided for the

collective bargaining agreement reached between the governor and the coalition under the personnel system reform act of 2002. For employees covered under this agreement, funding is provided for a 3.2% salary increase effective July 1, 2005. Funding is also provided for a 1.6% increase effective July 1, 2006, until June 30, 2007, and for implementation of the department of personnel 2002 salary survey for classes more than 25% below market rates.

The office of financial management shall update agency appropriations schedules to reflect the addition of the funding in this section, as identified by agency and account in LEAP document 2005-786 dated March 28, 2005.

**NEW SECTION. Sec. 734. COLLECTIVE BARGAINING AGREEMENT--IFPTE**

General Fund--State Appropriation (FY 2006)	.....	\$96,000
General Fund--State Appropriation (FY 2007)	.....	\$145,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$241,000</b>

The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the following conditions and limitations: Funding is provided for the collective bargaining agreement reached between the governor and the international federation of professional and technical engineers local 17 under the personnel system reform act of 2002. For employees covered under this agreement, funding is provided for a 3.2% salary increase effective July 1, 2005. Funding is also provided for a 1.6% increase effective July 1, 2006, until June 30, 2007, and for implementation of the department of personnel 2002 salary survey for classes more than 25% below market rates.

**NEW SECTION. Sec. 735. COLLECTIVE BARGAINING AGREEMENT--SEIU-1199**

General Fund--State Appropriation (FY 2006)	.....	\$1,656,000
General Fund--State Appropriation (FY 2007)	.....	\$2,260,000
General Fund--Federal Appropriation	.....	\$1,574,000
General Fund--Private/Local Appropriation	.....	\$188,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$5,678,000</b>

The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the following conditions and limitations: Funding is provided for the collective bargaining agreement reached between the governor and the service employees international union, local 1199 NW under the personnel system reform act of 2002. For employees covered under this agreement, funding is provided for a 3.2% salary increase effective July 1, 2005. Funding is also provided for a 1.6% increase effective July 1, 2006, until June 30, 2007, for implementation of the department of personnel 2002 salary survey for classes more than 25% below market rates, and for adjustments to the salary grid.

The office of financial management shall update agency appropriations schedules to reflect the addition of the funding in this section, as identified by agency and account in OFM document 2005-07-85 dated March 21, 2005.

**NEW SECTION. Sec. 736. FOR THE OFFICE OF FINANCIAL MANAGEMENT--CONTRIBUTIONS TO RETIREMENT SYSTEMS**

General Fund--State Appropriation (FY 2006)	...	(\$27,322,000)
General Fund--State Appropriation (FY 2007)	...	(\$15,783,000)
General Fund--Federal Appropriation	.....	(\$15,354,000)
General Fund--Private/Local Appropriation	.....	(\$1,543,000)
Dedicated Funds and Accounts Appropriation	...	(\$25,908,000)
<b>TOTAL APPROPRIATION</b>	.....	<b>(\$85,910,000)</b>

The appropriations in this section are subject to the following conditions and limitations: Funding in this section is provided solely for funding agency pension changes as set forth in proposed Substitute House Bill No. 1044 (H-3021.2/05). The office of financial management shall update agency appropriations schedules to reflect the change in funding in this section, as identified by agency and account in: LEAP document 2005-37 dated March 21, 2005; LEAP document 2005-38 dated April 5, 2005; LEAP

document 2005-37N dated April 5, 2005; and LEAP document 2005-36 dated April 5, 2005.

**NEW SECTION. Sec. 737. FOR THE OFFICE OF FINANCIAL MANAGEMENT--COMPENSATION--INSURANCE BENEFITS IN BARGAINED AGREEMENTS**

General Fund--State Appropriation (FY 2006)	.....	\$19,705,000
General Fund--State Appropriation (FY 2007)	.....	\$39,403,000
General Fund--Federal Appropriation	.....	\$19,178,000
General Fund--Private/Local Appropriation	.....	\$1,347,000
Dedicated Funds and Accounts Appropriation	.....	\$22,274,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$104,524,000</b>

The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the following conditions and limitations: Funding is provided for the health insurance collective bargaining agreement reached between the governor and the health insurance coalition under the personnel system reform act of 2002 as per the specifications in section 947 of this act. The office of financial management shall update agency appropriations schedules to reflect the addition of the funding in this section, as identified by agency and account in LEAP document 2005-35 dated March 28, 2005.

**NEW SECTION. Sec. 738. FOR THE OFFICE OF FINANCIAL MANAGEMENT--COMPENSATION--INSURANCE BENEFITS FOR NONREPRESENTED EMPLOYEES**

General Fund--State Appropriation (FY 2006)	.....	\$6,753,000
General Fund--State Appropriation (FY 2007)	.....	\$3,001,000
General Fund--Federal Appropriation	.....	\$2,240,000
General Fund--Private/Local Appropriation	.....	\$178,000
Dedicated Funds and Accounts Appropriation	.....	\$6,947,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$19,119,000</b>

The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the following conditions and limitations: Funding is provided for state employee health insurance benefits for nonrepresented state employees as per the specifications in section 947 of this act. The office of financial management shall update agency appropriations schedules to reflect the addition of the funding in this section, as identified by agency and account in LEAP document 2005-34 dated March 28, 2005.

**NEW SECTION. Sec. 739. INSURANCE BENEFITS.** The legislature finds that the trend in the rate of medical expense inflation is downward and projects an 8.5% rate of inflation for the 2005-07 fiscal biennium. The funds provided in sections 737 and 738 of this act are anticipated to be sufficient to hold the average employee share of medical insurance premiums to no more than 12% of costs under this 8.5% inflation assumption. If the actual growth in employee medical insurance costs is greater than 8.5%, the legislature intends to appropriate additional funds to cover the cost of inflation, up to a maximum of 11%, in order to maintain the average employee share of medical premiums at no more than 12% for school district employees and for state employees represented by a collective bargaining unit under the personnel system reform act of 2002.

**NEW SECTION. Sec. 740. STATE EMPLOYEE INSURANCE BENEFIT RESERVE.** \$20,000,000 in the public employees' and retirees' insurance account shall be held in reserve and may be expended only to the extent that the annual rate of employee health insurance premium inflation is greater than 8.5% and shall not be used to expand benefits or to reduce the average employee share of medical insurance premium costs to less than 12%.

**NEW SECTION. Sec. 741. FOR THE OFFICE OF FINANCIAL MANAGEMENT--PENSION CONTRIBUTION ADJUSTMENTS FOR THE PUBLIC SAFETY EMPLOYEES' RETIREMENT SYSTEM**

General Fund--State Appropriation (FY 2007)	.....	\$4,400,000
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Special Account Retirement Contribution Increase Revolving Account Appropriation	.....	(\$3,900,000)
<b>TOTAL APPROPRIATION</b>	.....	<b>\$500,000</b>

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

(1) The appropriations in this section are provided solely to make adjustments to agency appropriations to reflect the costs associated with the entry of employees into the public safety employees' retirement system as created by chapter 242, Laws of 2004.

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

**Sec. 742.** 2005 c ... (SHB 1037) s 707 (uncodified) is amended to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT--HEALTH SERVICES ACCOUNT**

General Fund--State Appropriation (FY 2005)	..	<del>(\$45,000,000)</del>
		<u>\$69,000,000</u>

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 health services account.

**PART VIII  
OTHER TRANSFERS AND APPROPRIATIONS**

**NEW SECTION. Sec. 801. FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION**

General Fund Appropriation for fire insurance premium distributions	.....	\$6,577,000
General Fund Appropriation for public utility district excise tax distributions	.....	\$45,422,000
General Fund Appropriation for prosecuting attorney distributions	.....	<del>\$1,450,000</del>
General Fund Appropriation for boating safety and education distributions	.....	\$4,430,000
General Fund Appropriation for other tax distributions	..	\$38,000
Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies	.....	\$1,969,000
Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution	.....	\$147,000
Timber Tax Distribution Account Appropriation for distribution to "timber" counties	.....	\$71,110,000
County Criminal Justice Assistance Appropriation	..	\$53,914,000
Municipal Criminal Justice Assistance Appropriation	.....	\$21,104,000
Liquor Excise Tax Account Appropriation for liquor excise tax distribution	.....	\$37,413,000
Liquor Revolving Account Appropriation for liquor profits distribution	.....	\$76,186,000
<b>TOTAL APPROPRIATION</b>	.....	<b>\$330,427,000</b>

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

**NEW SECTION. Sec. 802. FOR THE STATE TREASURER--FOR THE COUNTY CRIMINAL JUSTICE ASSISTANCE ACCOUNT**

Impaired Driving Safety Account Appropriation	....	\$1,913,400
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The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2005-07 biennium in accordance with RCW 82.14.310. This funding is provided to counties for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213,

Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

**NEW SECTION. Sec. 803. FOR THE STATE TREASURER--FOR THE MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT**

Impaired Driving Safety Account Appropriation . . . . \$1,275,600

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2005-07 biennium to all cities ratably based on population as last determined by the office of financial management. The distributions to any city that substantially decriminalizes or repeals its criminal code after July 1, 1990, and that does not reimburse the county for costs associated with criminal cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in which the city is located. This funding is provided to cities for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

**NEW SECTION. Sec. 804. FOR THE STATE TREASURER--FEDERAL REVENUES FOR DISTRIBUTION**

General Fund Appropriation for federal grazing fees distribution . . . . \$1,632,000  
General Fund Appropriation for federal flood control funds distribution . . . . . \$68,000  
Forest Reserve Fund Appropriation for federal forest reserve fund distribution . . . . . \$84,500,000  
TOTAL APPROPRIATION . . . . . \$86,200,000

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

**NEW SECTION. Sec. 805. FOR THE STATE TREASURER--TRANSFERS.**

For transfers in this section to the state general fund, pursuant to RCW 43.135.035(5), the state expenditure limit shall be increased by the amount of the transfer. The increase shall occur in the fiscal year in which the transfer occurs.

State Convention and Trade Center Account:  
For transfer to the state general fund, \$5,150,000 for fiscal year 2006 and \$5,150,000 for fiscal year 2007 . . . . . \$10,300,000  
General Fund--State Account:  
For transfer to the tourism development and promotion account, \$150,000 for fiscal year 2006 and \$150,000 for fiscal year 2007 . . . . . \$300,000  
Financial Services Regulation Account: For transfer to the state general fund, \$500,000 for fiscal year 2006 and \$500,000 for fiscal year 2007 . . . . . \$1,000,000  
Public Works Assistance Account: For transfer to the drinking water assistance account, \$8,400,000 for fiscal year 2006 . . . . . \$8,400,000  
Tobacco Settlement Account: For transfer to the health services account, in an amount not to exceed the actual balance of the tobacco settlement account . . . . . \$185,823,000  
Health Services Account: For transfer to the state general fund, \$109,000,000 for fiscal year 2006 . . . . . \$109,000,000  
Health Services Account: For transfer to the tobacco prevention and control account . . . . . \$23,366,000  
Health Services Account: For transfer to the water quality account . . . . . \$7,885,000  
Health Services Account: For transfer to the violence reduction and drug enforcement account . . . . . \$6,932,000  
Public Employees' and Retirees' Insurance Account:  
For transfer to the state general fund, \$40,000,000 for fiscal year 2006 and \$45,000,000 for fiscal year 2007 . . . . . \$85,000,000  
Department of Retirement Systems Expense Account:

For transfer to the state general fund, \$2,000,000 for fiscal year 2006 . . . . . \$2,000,000  
Secretary of State's Revolving Account: For transfer to the state general fund, \$250,000 for fiscal year 2006 and \$250,000 for fiscal year 2007 . . . . . \$500,000  
Pollution Liability Insurance Program Trust Account: For transfer to the state general fund, \$7,500,000 for fiscal year 2006 and \$7,500,000 for fiscal year 2007 . . . . . \$15,000,000  
State Treasurer's Service Account: For transfer to the state general fund, \$5,500,000 for fiscal year 2006 and \$5,000,000 for fiscal year 2007 . . . . . \$10,500,000  
State Toxics Control Account: For transfer to the state general fund, \$7,100,000 for fiscal year 2006 and \$7,100,000 for fiscal year 2007 . . . . . \$14,200,000  
General Fund: For transfer to the water quality account, \$6,568,000 for fiscal year 2006 and \$6,569,000 for fiscal year 2007 . . . . . \$13,137,000  
Water Quality Account: For transfer to the water pollution control revolving account . . . . . \$10,534,000  
Drinking Water Assistance Account: For transfer to the drinking water assistance repayment account, an amount not to exceed . . . . . \$15,000,000  
Waste Reduction, Recycling, and Litter Control Account: For transfer to the state general fund, \$1,000,000 for fiscal year 2006 and \$1,000,000 for fiscal year 2007 . . . . . \$2,000,000  
Public Works Assistance Account: For transfer to the public facility construction loan revolving account, \$4,500,000 for fiscal year 2006 . . . . . \$4,500,000  
Student Achievement Account: For transfer to the state general fund, \$87,900,000 for fiscal year 2006 and \$86,800,000 for fiscal year 2007 . . . . . \$174,700,000  
Nisqually Earthquake Account: For transfer to the disaster response account, \$3,000,000 for fiscal year 2006 . . . . . \$3,000,000  
Natural Resources Equipment Revolving Fund: For transfer to the state general fund for fiscal year 2006 . . . . . \$1,000,000  
Judicial Improvement Subaccount: For transfer to the trial court improvement account . . . . . \$1,440,000

**NEW SECTION. Sec. 806. 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. The transfers are subject to the enactment of Senate Bill No. 5391. If the bill is not enacted by June 30, 2005, the transfers shall not be made.

Public Employees' and Retirees' Insurance Account:  
For transfer to the state general fund, \$5,000,000 for fiscal year 2006 and \$12,000,000 for fiscal year 2007 . . . . . \$17,000,000

**NEW SECTION. Sec. 807. FOR THE STATE TREASURER--TRANSFERS.**

The state treasurer shall make the following transfers from the state general fund into the reinvesting in youth account, subject to the enactment of Second Substitute House Bill No. 1483 (reinvesting in youth). Pursuant to the bill, these transfers shall be exempt from RCW 43.135.035(5). If the bill is not enacted by June 30, 2005, the transfers shall not be made.  
(1) For fiscal year 2006, the treasurer shall transfer \$319,000 from the state general fund to the reinvesting in youth account.  
(2) For fiscal year 2007, the treasurer shall transfer \$678,000 from the state general fund to the reinvesting in youth account.

**PART IX MISCELLANEOUS**

**NEW SECTION. Sec. 901. EXPENDITURE AUTHORIZATIONS.** The appropriations contained in this act are maximum expenditure authorizations. Pursuant to RCW 43.88.037, moneys disbursed from the treasury on the basis of a formal loan

agreement shall be recorded as loans receivable and not as expenditures for accounting purposes. To the extent that moneys are disbursed on a loan basis, the corresponding appropriation shall be reduced by the amount of loan moneys disbursed from the treasury during the 2003-05 biennium.

**NEW SECTION. Sec. 902. INFORMATION SYSTEMS PROJECTS.** Agencies shall comply with the following requirements regarding information systems projects when specifically directed to do so by this act.

(1) Agency planning and decisions concerning information technology shall be made in the context of its information technology portfolio. "Information technology portfolio" means a strategic management approach in which the relationships between agency missions and information technology investments can be seen and understood, such that: Technology efforts are linked to agency objectives and business plans; the impact of new investments on existing infrastructure and business functions are assessed and understood before implementation; and agency activities are consistent with the development of an integrated, nonduplicative statewide infrastructure.

(2) Agencies shall use their information technology portfolios in making decisions on matters related to the following:

(a) System refurbishment, acquisitions, and development efforts;  
 (b) Setting goals and objectives for using information technology in meeting legislatively-mandated missions and business needs;

(c) Assessment of overall information processing performance, resources, and capabilities;

(d) Ensuring appropriate transfer of technological expertise for the operation of any new systems developed using external resources; and

(e) Progress toward enabling electronic access to public information.

(3) Each project will be planned and designed to take optimal advantage of Internet technologies and protocols. Agencies shall ensure that the project is in compliance with the architecture, infrastructure, principles, policies, and standards of digital government as maintained by the information services board.

(4) The agency shall produce a feasibility study for information technology projects at the direction of the information services board and in accordance with published department of information services policies and guidelines. At a minimum, such studies shall include a statement of: (a) The purpose or impetus for change; (b) the business value to the agency, including an examination and evaluation of benefits, advantages, and cost; (c) a comprehensive risk assessment based on the proposed project's impact on both citizens and state operations, its visibility, and the consequences of doing nothing; (d) the impact on agency and statewide information infrastructure; and (e) the impact of the proposed enhancements to an agency's information technology capabilities on meeting service delivery demands.

(5) The agency shall produce a comprehensive management plan for each project. The plan or plans shall address all factors critical to successful completion of each project. The plan(s) shall include, but is not limited to, the following elements: A description of the problem or opportunity that the information technology project is intended to address; a statement of project objectives and assumptions; a definition and schedule of phases, tasks, and activities to be accomplished; and the estimated cost of each phase. The planning for the phased approach shall be such that the business case justification for a project needs to demonstrate how the project recovers cost or adds measurable value or positive cost benefit to the agency's business functions within each development cycle.

(6) The agency shall produce quality assurance plans for information technology projects. Consistent with the direction of the information services board and the published policies and guidelines of the department of information services, the quality assurance plan shall address all factors critical to successful completion of the project and successful integration with the agency and state information technology infrastructure. At a minimum, quality assurance plans shall provide time and budget benchmarks against which project progress can be measured, a specification of quality

assurance responsibilities, and a statement of reporting requirements. The quality assurance plans shall set out the functionality requirements for each phase of a project.

(7) A copy of each feasibility study, project management plan, and quality assurance plan shall be provided to the department of information services, the office of financial management, and legislative fiscal committees. The plans and studies shall demonstrate a sound business case that justifies the investment of taxpayer funds on any new project, an assessment of the impact of the proposed system on the existing information technology infrastructure, the disciplined use of preventative measures to mitigate risk, and the leveraging of private-sector expertise as needed. Authority to expend any funds for individual information systems projects is conditioned on the approval of the relevant feasibility study, project management plan, and quality assurance plan by the department of information services and the office of financial management.

(8) Quality assurance status reports shall be submitted to the department of information services, the office of financial management, and legislative fiscal committees at intervals specified in the project's quality assurance plan.

**NEW SECTION. Sec. 903. BUSINESS CONTINUITY AND DISASTER RECOVERY.** State agencies shall comply with the business continuity and disaster recovery policies, guidelines, and statements of direction developed by the department of information services and the information services board in consultation with state agencies. To ensure that agency business continuity and disaster recovery activities identify the primary risks across state agencies, account for dependencies between agencies, capitalize on economies of scale, and avoid unnecessary duplication of costs and efforts, state agencies shall receive the prior approval of the department of information services before implementing business continuity and disaster recovery strategies and expending funds for business continuity activities.

**NEW SECTION. Sec. 904. VIDEO TELECOMMUNICATIONS.** The department of information services shall act as lead agency in coordinating video telecommunications services for state agencies. As lead agency, the department shall develop standards and common specifications for leased and purchased telecommunications equipment and assist state agencies in developing a video telecommunications expenditure plan. No agency may spend any portion of any appropriation in this act for new video telecommunication equipment, new video telecommunication transmission, or new video telecommunication programming, or for expanding current video telecommunication systems without first complying with chapter 43.105 RCW, including but not limited to, RCW 43.105.041(2), and without first submitting a video telecommunications expenditure plan, in accordance with the policies of the department of information services, for review and assessment by the department of information services under RCW 43.105.052. Prior to any such expenditure by a public school, a video telecommunications expenditure plan shall be approved by the superintendent of public instruction. The office of the superintendent of public instruction shall submit the plans to the department of information services in a form prescribed by the department. The office of the superintendent of public instruction shall coordinate the use of video telecommunications in public schools by providing educational information to local school districts and shall assist local school districts and educational service districts in telecommunications planning and curriculum development. Prior to any such expenditure by a public institution of postsecondary education, a telecommunications expenditure plan shall be approved by the higher education coordinating board. The higher education coordinating board shall coordinate the use of video telecommunications for instruction and instructional support in postsecondary education, including the review and approval of instructional telecommunications course offerings.

**NEW SECTION. Sec. 905. PROGRAM COST SHIFTS.** Any program costs or moneys in this act that are shifted to the general fund from another fund or account require an adjustment to the expenditure limit under RCW 43.135.035(5).

**NEW SECTION. Sec. 906. EMERGENCY FUND ALLOCATIONS.** Whenever allocations are made from the governor's emergency fund appropriation to an agency that is financed in whole or in part by other than general fund moneys, the director of financial management may direct the repayment of such allocated amount to the general fund from any balance in the fund or funds which finance the agency. No appropriation shall be necessary to effect such repayment.

**NEW SECTION. Sec. 907. STATUTORY APPROPRIATIONS.** In addition to the amounts appropriated in this act for revenues for distribution, state contributions to the law enforcement officers' and fire fighters' retirement system plan 2, and bond retirement and interest including ongoing bond registration and transfer charges, transfers, interest on registered warrants, and certificates of indebtedness, there is also appropriated such further amounts as may be required or available for these purposes under any statutory formula or under chapters 39.94 and 39.96 RCW or any proper bond covenant made under law.

**NEW SECTION. Sec. 908. BOND EXPENSES.** In addition to such other appropriations as are made by this act, there is hereby appropriated to the state finance committee from legally available bond proceeds in the applicable construction or building funds and accounts such amounts as are necessary to pay the expenses incurred in the issuance and sale of the subject bonds.

**NEW SECTION. Sec. 909. VOLUNTARY SEPARATION INCENTIVES.** As a management tool to reduce costs and make more effective use of resources, while improving employee productivity and morale, agencies may offer voluntary separation and/or downshifting incentives and options according to procedures and guidelines established by the department of personnel and the department of retirement systems in consultation with the office of financial management. The options may include, but are not limited to, financial incentives for: Voluntary resignation and retirement, voluntary leave-without-pay, voluntary workweek or work hour reduction, voluntary downward movement, or temporary separation for development purposes. No employee shall have a contractual right to a financial incentive offered pursuant to this section. Agencies shall report on the outcomes of their plans, and offers shall be reviewed and monitored jointly by the department of personnel and the department of retirement systems, for reporting to the office of financial management by December 1, 2006.

**NEW SECTION. Sec. 910. VOLUNTARY RETIREMENT INCENTIVES.** It is the intent of the legislature that agencies may implement a voluntary retirement incentive program that is cost neutral or results in cost savings provided that such a program is approved by the director of retirement systems and the office of financial management. Agencies participating in this authorization are required to submit a report by June 30, 2007, to the legislature and the office of financial management on the outcome of their approved retirement incentive program. The report should include information on the details of the program including resulting service delivery changes, agency efficiencies, the cost of the retirement incentive per participant, the total cost to the state, and the projected or actual net dollar savings over the 2005-07 biennium.

**NEW SECTION. Sec. 911. 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, 2005, 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. 912.** RCW 28A.160.195 and 2004 c 276 s 904 are each amended to read as follows:

(1) The superintendent of public instruction, in consultation with the regional transportation coordinators of the educational service districts, shall establish a minimum number of school bus categories considering the capacity and type of vehicles required by school districts in Washington. The superintendent, in consultation with the regional transportation coordinators of the educational service districts, shall establish competitive specifications for each category of school bus. The categories shall be developed to produce minimum long-range operating costs, including costs of equipment and all costs in operating the vehicles. The categories, for purposes of comparative studies, will be at a minimum the same as those in the beginning of the 1994-95 school year. 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. In fiscal (~~year 2005~~) years 2006 and 2007, the superintendent may solicit and accept price quotes for a rear-engine category school bus that shall be reimbursed at the price of the corresponding front engine category.

(2) After establishing school bus categories and competitive specifications, the superintendent of public instruction shall solicit competitive price quotes from school bus dealers to be in effect for one year and shall (a) except in fiscal (~~year 2005~~) years 2006 and 2007, establish a list of the lowest competitive price quotes obtained under this subsection, and (b) in fiscal (~~year 2005~~) years 2006 and 2007, establish a list of all accepted price quotes in each category obtained under this subsection.

(3) The superintendent shall base the level of reimbursement to school districts and educational service districts for school buses on the lowest quote in each category.

(4) Notwithstanding RCW 28A.335.190, school districts and educational service districts may purchase at the quoted price directly from the dealer who is providing the lowest competitive price quote on the list established under subsection (2) of this section and in fiscal (~~year 2005~~) years 2006 and 2007 from any dealer on the list established under subsection (2)(b) of this section. School districts and educational service districts may make their own selections for school buses, but shall be reimbursed at the rates determined under subsection (3) of this section and RCW 28A.160.200. District-selected options shall not be reimbursed by the state. For the (~~2003-05~~) 2005-2007 fiscal biennium, school districts and educational service districts shall be reimbursed for buses purchased only through a lowest-price competitive bid process conducted pursuant to RCW 28A.335.190 or through the state bid process established by this section.

(5) This section does not prohibit school districts or educational service districts from conducting their own competitive bid process.

(6) The superintendent of public instruction may adopt rules under chapter 34.05 RCW to implement this section.

**Sec. 913.** RCW 28A.305.210 and 2003 1st sp.s. c 25 s 911 are each amended to read as follows:

(1) The state board of education, by rule or regulation, may require the assistance of educational service district boards and/or superintendents in the performance of any duty, authority, or power imposed upon or granted to the state board of education by law, upon such terms and conditions as the state board of education shall establish. Such authority to assist the state board of education shall be limited to the service function of information collection and dissemination and the attestation to the accuracy and completeness of submitted information.

(2) During the (~~2003-05~~) 2005-2007 biennium, educational service districts may, at the request of the state board of education, receive and screen applications for school accreditation, conduct school accreditation site visits pursuant to state board of education rules, and submit to the state board of education postsite visit recommendations for school accreditation. The educational service districts may assess a cooperative service fee to recover actual plus reasonable indirect costs for the purposes of this subsection.

**Sec. 914.** RCW 28A.500.030 and 2003 1st sp.s. c 25 s 912 are each amended to read as follows:

Allocation of state matching funds to eligible districts for local effort assistance shall be determined as follows:

(1) Funds raised by the district through maintenance and operation levies shall be matched with state funds using the following ratio of state funds to levy funds:

(a) The difference between the district's twelve percent levy rate and the statewide average twelve percent levy rate; to

(b) The statewide average twelve percent levy rate.

(2) The maximum amount of state matching funds for districts eligible for local effort assistance shall be the district's twelve percent levy amount, multiplied by the following percentage:

(a) The difference between the district's twelve percent levy rate and the statewide average twelve percent levy rate; divided by

(b) The district's twelve percent levy rate.

(3) Calendar year 2003 allocations and maximum eligibility under this chapter shall be multiplied by 0.99.

(4) From January 1, 2004, to ~~((June 30,))~~ December 31, 2005, allocations and maximum eligibility under this chapter shall be multiplied by 0.937.

(5) From January 1, 2006, to June 30, 2007, allocations and maximum eligibility under this chapter shall be multiplied by 0.885.

**Sec. 915.** RCW 28A.600.110 and 2004 c 275 s 46 are each amended to read as follows:

There is established by the legislature of the state of Washington the Washington state scholars program. The purposes of this program annually are to:

(1) Provide for the selection of three seniors residing in each legislative district in the state graduating from high schools who have distinguished themselves academically among their peers, except that during the 2005-2007 fiscal biennium, no more than two seniors may be selected.

(2) Maximize public awareness of the academic achievement, leadership ability, and community contribution of Washington state public and private high school seniors through appropriate recognition ceremonies and events at both the local and state level.

(3) Provide a listing of the Washington scholars to all Washington state public and private colleges and universities to facilitate communication regarding academic programs and scholarship availability.

(4) Make available a state level mechanism for utilization of private funds for scholarship awards to outstanding high school seniors.

(5) Provide, on written request and with student permission, a listing of the Washington scholars to private scholarship selection committees for notification of scholarship availability.

(6) Permit a waiver of tuition and services and activities fees as provided for in RCW 28B.15.543 and grants under RCW 28B.76.660.

**Sec. 916.** RCW 28A.600.150 and 1999 c 159 s 2 are each amended to read as follows:

Each year, three Washington scholars and one Washington scholars-alternate shall be selected from the students nominated under RCW 28A.600.140, except that during the 2005-2007 fiscal biennium, no more than two scholars shall be selected. The higher education coordinating board shall notify the students so designated, their high school principals, the legislators of their respective districts, and the governor when final selections have been made.

The board, in conjunction with the governor's office, shall prepare appropriate certificates to be presented to the Washington scholars and the Washington scholars-alternates. An awards ceremony at an appropriate time and place shall be planned by the board in cooperation with the Washington association of secondary school principals, and with the approval of the governor.

**Sec. 917.** RCW 28B.102.040 and 2004 c 276 s 905, 2004 c 275 s 68, and 2004 c 58 s 4 are each reenacted and amended to read as follows:

(1) The board may select participants based on an application process conducted by the board or the board may utilize selection

processes for similar students in cooperation with the professional educator standards board or the office of the superintendent of public instruction.

(2) If the board selects participants for the program, it shall establish a selection committee for screening and selecting recipients of the conditional scholarships. The criteria shall emphasize factors demonstrating excellence including but not limited to superior scholastic achievement, leadership ability, community contributions, bilingual ability, willingness to commit to providing teaching service in shortage areas, and an ability to act as a role model for students. Priority will be given to individuals seeking certification or an additional endorsement in math, science, technology, or special education.

~~((Subject to enactment of chapter 58, Laws of 2004,))~~ For fiscal years ~~((2005))~~ 2006 and 2007, additional priority shall be given to such individuals who are also bilingual. It is the intent of the legislature to develop a pool of dual-language teachers in order to meet the challenge of educating students who are dominant in languages other than English.

**Sec. 918.** RCW 28B.119.010 and 2004 c 275 s 60 are each amended to read as follows:

The higher education coordinating board shall design the Washington promise scholarship program based on the following parameters:

(1) Scholarships shall be awarded to students graduating from public and approved private high schools under chapter 28A.195 RCW, students participating in home-based instruction as provided in chapter 28A.200 RCW, and persons twenty-one years of age or younger receiving a GED certificate, who meet both an academic and a financial eligibility criteria.

(a) Academic eligibility criteria shall be defined as follows:

(i) ~~((Beginning with the graduating class of 2002,))~~ Students graduating from public and approved private high schools under chapter 28A.195 RCW must be in the top fifteen percent of their graduating class, as identified by each respective high school at the completion of the first term of the student's senior year. For the 2005-07 fiscal biennium if the fall term enrollment of the current senior class is not available to the superintendent in a timely manner then the number of seniors that may be identified is equal to the previous year's fall term senior class enrollment; or

(ii) Students graduating from public high schools, approved private high schools under chapter 28A.195 RCW, students participating in home-based instruction as provided in chapter 28A.200 RCW, and persons twenty-one years of age or younger receiving a GED certificate, must on their first attempt equal or exceed a cumulative ((scholastic assessment test I score of twelve hundred on their first attempt or must equal or exceed a composite)) score on either the scholastic assessment test (SAT) I or the American college test ((score of twenty-seven on their first attempt)) (ACT) that represents performance in the top fifteen percent of students taking the test.

(b) To meet the financial eligibility criteria, a student's family income shall not exceed one hundred thirty-five percent or, for the 2005-07 fiscal biennium, one hundred twenty percent of the state median family income adjusted for family size, as determined by the higher education coordinating board for each graduating class. Students not meeting the eligibility requirements for the first year of scholarship benefits may reapply for the second year of benefits, but must still meet the income standard set by the board for the student's graduating class.

(2) Promise scholarships are not intended to supplant any grant, scholarship, or tax program related to postsecondary education. If the board finds that promise scholarships supplant or reduce any grant, scholarship, or tax program for categories of students, then the board shall adjust the financial eligibility criteria or the amount of scholarship to the level necessary to avoid supplanting.

(3) Within available funds, each qualifying student shall receive two consecutive annual awards, the value of each not to exceed the full-time annual resident tuition rates charged by Washington's community colleges. The higher education coordinating board shall award scholarships to as many students as possible from among those qualifying under this section.

(4) By October 15th of each year, the board shall determine the award amount of the scholarships, after taking into consideration the availability of funds.

(5) The scholarships may only be used for undergraduate coursework at accredited institutions of higher education in the state of Washington.

(6) The scholarships may be used for undergraduate coursework at Oregon institutions of higher education that are part of the border county higher education opportunity project in RCW 28B.76.685 when those institutions offer programs not available at accredited institutions of higher education in Washington state.

(7) The scholarships may be used for college-related expenses, including but not limited to, tuition, room and board, books, and materials.

(8) The scholarships may not be awarded to any student who is pursuing a degree in theology.

(9) The higher education coordinating board may establish satisfactory progress standards for the continued receipt of the promise scholarship.

(10) The higher education coordinating board shall establish the time frame within which the student must use the scholarship.

**Sec. 919.** RCW 41.05.065 and 2003 c 158 s 2 are each amended to read as follows:

(1) The board shall study all matters connected with the provision of health care coverage, life insurance, liability insurance, accidental death and dismemberment insurance, and disability income insurance or any of, or a combination of, the enumerated types of insurance for employees and their dependents on the best basis possible with relation both to the welfare of the employees and to the state. However, liability insurance shall not be made available to dependents.

(2) The board shall develop employee benefit plans that include comprehensive health care benefits for all employees. In developing these plans, the board shall consider the following elements:

(a) Methods of maximizing cost containment while ensuring access to quality health care;

(b) Development of provider arrangements that encourage cost containment and ensure access to quality care, including but not limited to prepaid delivery systems and prospective payment methods;

(c) Wellness incentives that focus on proven strategies, such as smoking cessation, injury and accident prevention, reduction of alcohol misuse, appropriate weight reduction, exercise, automobile and motorcycle safety, blood cholesterol reduction, and nutrition education;

(d) Utilization review procedures including, but not limited to a cost-efficient method for prior authorization of services, hospital inpatient length of stay review, requirements for use of outpatient surgeries and second opinions for surgeries, review of invoices or claims submitted by service providers, and performance audit of providers;

(e) Effective coordination of benefits;

(f) Minimum standards for insuring entities; and

(g) Minimum scope and content of public employee benefit plans to be offered to enrollees participating in the employee health benefit plans. To maintain the comprehensive nature of employee health care benefits, employee eligibility criteria related to the number of hours worked and the benefits provided to employees shall be substantially equivalent to the state employees' health benefits plan and eligibility criteria in effect on January 1, 1993. Nothing in this subsection (2)(g) shall prohibit changes or increases in employee point-of-service payments or employee premium payments for benefits.

(3) The board shall design benefits and determine the terms and conditions of employee participation and coverage, including establishment of eligibility criteria. The same terms and conditions of participation and coverage, including eligibility criteria, shall apply to state employees and to school district employees and educational service district employees.

(4) The board may authorize premium contributions for an employee and the employee's dependents in a manner that encourages the use of cost-efficient managed health care systems. During the

2005-2007 fiscal biennium, the board may only authorize premium contributions for an employee and the employee's dependents that are the same, regardless of an employee's status as represented or nonrepresented by a collective bargaining unit under the personnel system reform act of 2002. The board shall require participating school district and educational service district employees to pay at least the same employee premiums by plan and family size as state employees pay.

(5) Employees shall choose participation in one of the health care benefit plans developed by the board and may be permitted to waive coverage under terms and conditions established by the board.

(6) The board shall review plans proposed by insuring entities that desire to offer property insurance and/or accident and casualty insurance to state employees through payroll deduction. The board may approve any such plan for payroll deduction by insuring entities holding a valid certificate of authority in the state of Washington and which the board determines to be in the best interests of employees and the state. The board shall promulgate rules setting forth criteria by which it shall evaluate the plans.

(7) Before January 1, 1998, the public employees' benefits board shall make available one or more fully insured long-term care insurance plans that comply with the requirements of chapter 48.84 RCW. Such programs shall be made available to eligible employees, retired employees, and retired school employees as well as eligible dependents which, for the purpose of this section, includes the parents of the employee or retiree and the parents of the spouse of the employee or retiree. Employees of local governments and employees of political subdivisions not otherwise enrolled in the public employees' benefits board sponsored medical programs may enroll under terms and conditions established by the administrator, if it does not jeopardize the financial viability of the public employees' benefits board's long-term care offering.

(a) Participation of eligible employees or retired employees and retired school employees in any long-term care insurance plan made available by the public employees' benefits board is voluntary and shall not be subject to binding arbitration under chapter 41.56 RCW. Participation is subject to reasonable underwriting guidelines and eligibility rules established by the public employees' benefits board and the health care authority.

(b) The employee, retired employee, and retired school employee are solely responsible for the payment of the premium rates developed by the health care authority. The health care authority is authorized to charge a reasonable administrative fee in addition to the premium charged by the long-term care insurer, which shall include the health care authority's cost of administration, marketing, and consumer education materials prepared by the health care authority and the office of the insurance commissioner.

(c) To the extent administratively possible, the state shall establish an automatic payroll or pension deduction system for the payment of the long-term care insurance premiums.

(d) The public employees' benefits board and the health care authority shall establish a technical advisory committee to provide advice in the development of the benefit design and establishment of underwriting guidelines and eligibility rules. The committee shall also advise the board and authority on effective and cost-effective ways to market and distribute the long-term care product. The technical advisory committee shall be comprised, at a minimum, of representatives of the office of the insurance commissioner, providers of long-term care services, licensed insurance agents with expertise in long-term care insurance, employees, retired employees, retired school employees, and other interested parties determined to be appropriate by the board.

(e) The health care authority shall offer employees, retired employees, and retired school employees the option of purchasing long-term care insurance through licensed agents or brokers appointed by the long-term care insurer. The authority, in consultation with the public employees' benefits board, shall establish marketing procedures and may consider all premium components as a part of the contract negotiations with the long-term care insurer.

(f) In developing the long-term care insurance benefit designs, the public employees' benefits board shall include an alternative plan of care benefit, including adult day services, as approved by the office of the insurance commissioner.

(g) The health care authority, with the cooperation of the office of the insurance commissioner, shall develop a consumer education program for the eligible employees, retired employees, and retired school employees designed to provide education on the potential need for long-term care, methods of financing long-term care, and the availability of long-term care insurance products including the products offered by the board.

(h) By December 1998, the health care authority, in consultation with the public employees' benefits board, shall submit a report to the appropriate committees of the legislature, including an analysis of the marketing and distribution of the long-term care insurance provided under this section.

**Sec. 920.** RCW 41.05.120 and 1994 c 153 s 9 are each amended to read as follows:

(1) The public employees' and retirees' insurance account is hereby established in the custody of the state treasurer, to be used by the administrator for the deposit of contributions, the remittance paid by school districts and educational service districts (~~under RCW 28A.400.400~~), reserves, dividends, and refunds, and for payment of premiums for employee and retiree insurance benefit contracts and subsidy amounts provided under RCW 41.05.085. Moneys from the account shall be disbursed by the state treasurer by warrants on vouchers duly authorized by the administrator.

(2) The state treasurer and the state investment board may invest moneys in the public employees' and retirees' insurance account. All such investments shall be in accordance with RCW 43.84.080 or 43.84.150, whichever is applicable. The administrator shall determine whether the state treasurer or the state investment board or both shall invest moneys in the public employees' insurance account.

(3) During the 2005-07 fiscal biennium, the legislature may transfer from the public employees' and retirees' insurance account such amounts as reflect the excess fund balance of the fund.

**Sec. 921.** RCW 41.50.110 and 2003 1st sp.s. c 25 s 914 are each amended to read as follows:

(1) Except as provided by RCW 41.50.255 and subsection (6) of this section, all expenses of the administration of the department, the expenses of administration of the retirement systems, and the expenses of the administration of the office of the state actuary created in chapters 2.10, 2.12, 41.26, 41.32, 41.40, 41.34, 41.35, 43.43, and 44.44 RCW shall be paid from the department of retirement systems expense fund.

(2) In order to reimburse the department of retirement systems expense fund on an equitable basis the department shall ascertain and report to each employer, as defined in RCW 41.26.030, 41.32.010, 41.35.010, or 41.40.010, the sum necessary to defray its proportional share of the entire expense of the administration of the retirement system that the employer participates in during the ensuing biennium or fiscal year whichever may be required. Such sum is to be computed in an amount directly proportional to the estimated entire expense of the administration as the ratio of monthly salaries of the employer's members bears to the total salaries of all members in the entire system. It shall then be the duty of all such employers to include in their budgets or otherwise provide the amounts so required.

(3) The department shall compute and bill each employer, as defined in RCW 41.26.030, 41.32.010, 41.35.010, or 41.40.010, at the end of each month for the amount due for that month to the department of retirement systems expense fund and the same shall be paid as are its other obligations. Such computation as to each employer shall be made on a percentage rate of salary established by the department. However, the department may at its discretion establish a system of billing based upon calendar year quarters in which event the said billing shall be at the end of each such quarter.

(4) The director may adjust the expense fund contribution rate for each system at any time when necessary to reflect unanticipated costs or savings in administering the department.

(5) An employer who fails to submit timely and accurate reports to the department may be assessed an additional fee related to the increased costs incurred by the department in processing the deficient reports. Fees paid under this subsection shall be deposited in the retirement system expense fund.

(a) Every six months the department shall determine the amount of an employer's fee by reviewing the timeliness and accuracy of the reports submitted by the employer in the preceding six months. If those reports were not both timely and accurate the department may prospectively assess an additional fee under this subsection.

(b) An additional fee assessed by the department under this subsection shall not exceed fifty percent of the standard fee.

(c) The department shall adopt rules implementing this section.

(6) Expenses other than those under RCW 41.34.060(3) shall be paid pursuant to subsection (1) of this section.

(7) During the ~~((2003-))~~ 2005-2007 fiscal biennium, the legislature may transfer from the department of retirement systems' expense fund to the state general fund such amounts as reflect the excess fund balance of the fund.

**Sec. 922.** RCW 41.50.110 and 2004 c 242 s 46 are each amended to read as follows:

(1) Except as provided by RCW 41.50.255 and subsection (6) of this section, all expenses of the administration of the department, the expenses of administration of the retirement systems, and the expenses of the administration of the office of the state actuary created in chapters 2.10, 2.12, 41.26, 41.32, 41.40, 41.34, 41.35, 41.37, 43.43, and 44.44 RCW shall be paid from the department of retirement systems expense fund.

(2) In order to reimburse the department of retirement systems expense fund on an equitable basis the department shall ascertain and report to each employer, as defined in RCW 41.26.030, 41.32.010, 41.35.010, 41.37.010, or 41.40.010, the sum necessary to defray its proportional share of the entire expense of the administration of the retirement system that the employer participates in during the ensuing biennium or fiscal year whichever may be required. Such sum is to be computed in an amount directly proportional to the estimated entire expense of the administration as the ratio of monthly salaries of the employer's members bears to the total salaries of all members in the entire system. It shall then be the duty of all such employers to include in their budgets or otherwise provide the amounts so required.

(3) The department shall compute and bill each employer, as defined in RCW 41.26.030, 41.32.010, 41.35.010, 41.37.010, or 41.40.010, at the end of each month for the amount due for that month to the department of retirement systems expense fund and the same shall be paid as are its other obligations. Such computation as to each employer shall be made on a percentage rate of salary established by the department. However, the department may at its discretion establish a system of billing based upon calendar year quarters in which event the said billing shall be at the end of each such quarter.

(4) The director may adjust the expense fund contribution rate for each system at any time when necessary to reflect unanticipated costs or savings in administering the department.

(5) An employer who fails to submit timely and accurate reports to the department may be assessed an additional fee related to the increased costs incurred by the department in processing the deficient reports. Fees paid under this subsection shall be deposited in the retirement system expense fund.

(a) Every six months the department shall determine the amount of an employer's fee by reviewing the timeliness and accuracy of the reports submitted by the employer in the preceding six months. If those reports were not both timely and accurate the department may prospectively assess an additional fee under this subsection.

(b) An additional fee assessed by the department under this subsection shall not exceed fifty percent of the standard fee.

(c) The department shall adopt rules implementing this section.

(6) Expenses other than those under RCW 41.34.060(3) shall be paid pursuant to subsection (1) of this section.

(7) During the ~~((2003-))~~ 2005-2007 fiscal biennium, the legislature may transfer from the department of retirement systems' expense fund to the state general fund such amounts as reflect the excess fund balance of the fund.

**Sec. 923.** RCW 43.07.130 and 1994 c 211 s 1311 are each amended to read as follows:



There is created within the state treasury a revolving fund, to be known as the "secretary of state's revolving fund," which shall be used by the office of the secretary of state to defray the costs of printing, reprinting, or distributing printed matter authorized by law to be issued by the office of the secretary of state, and any other cost of carrying out the functions of the secretary of state under Title 23B RCW, or chapters 18.100, 23.86, 23.90, 24.03, 24.06, 24.12, 24.20, 24.24, 24.28, 24.36, 25.15, or 25.10 RCW.

The secretary of state is hereby authorized to charge a fee for such publications in an amount which will compensate for the costs of printing, reprinting, and distributing such printed matter. Fees recovered by the secretary of state under RCW 43.07.120(2), 23B.01.220 (1)(e), (6) and (7), 23B.18.050, 24.03.410, 24.06.455, or 46.64.040, and such other moneys as are expressly designated for deposit in the secretary of state's revolving fund shall be placed in the secretary of state's revolving fund.

During the 2005-2007 fiscal biennium, the legislature may transfer from the secretary of state's revolving fund to the state general fund such amounts as reflect the excess fund balance of the fund.

**Sec. 924.** RCW 43.08.190 and 2003 1st sp.s. c 25 s 916 are each amended to read as follows:

There is hereby created a fund within the state treasury to be known as the "state treasurer's service fund". Such fund shall be used solely for the payment of costs and expenses incurred in the operation and administration of the state treasurer's office.

Moneys shall be allocated monthly and placed in the state treasurer's service fund equivalent to a maximum of one percent of the trust and treasury average daily cash balances from the earnings generated under the authority of RCW 43.79A.040 and 43.84.080 other than earnings generated from investment of balances in funds and accounts specified in RCW ~~((43.79.040))~~ 43.79A.040 or 43.84.092(4)(b). The allocation shall precede the distribution of the remaining earnings as prescribed under RCW 43.79A.040 and 43.84.092. The state treasurer shall establish a uniform allocation rate based on the appropriations for the treasurer's office.

During the ~~((2003-))~~ 2005-2007 fiscal biennium, the legislature may transfer from the state treasurer's service fund to the state general fund such amounts as reflect the excess fund balance of the fund.

**Sec. 925.** RCW 43.08.250 and 2003 1st sp.s. c 25 s 918 are each amended to read as follows:

The money received by the state treasurer from fees, fines, forfeitures, penalties, reimbursements or assessments by any court organized under Title 3 or 35 RCW, or chapter 2.08 RCW, shall be deposited in the public safety and education account which is hereby created in the state treasury. The legislature shall appropriate the funds in the account to promote traffic safety education, highway safety, criminal justice training, crime victims' compensation, judicial education, the judicial information system, civil representation of indigent persons, winter recreation parking, drug court operations, and state game programs. During the fiscal biennium ending June 30, ~~((2005))~~ 2007, the legislature may appropriate moneys from the public safety and education account for purposes of appellate indigent defense and other operations of the office of public defense, the criminal litigation unit of the attorney general's office, the treatment alternatives to street crimes program, crime victims advocacy programs, justice information network telecommunication planning, treatment for supplemental security income clients, sexual assault treatment, operations of the office of administrator for the courts, security in the common schools, alternative school start-up grants, programs for disruptive students, criminal justice data collection, Washington state patrol criminal justice activities, drug court operations, unified family courts, local court backlog assistance, financial assistance to local jurisdictions for extraordinary costs incurred in the adjudication of criminal cases, domestic violence treatment and related services, the department of corrections' costs in implementing chapter 196, Laws of 1999, reimbursement of local governments for costs associated with implementing criminal and civil justice legislation, the replacement of the department of corrections' offender-based tracking system, secure and semi-secure crisis residential centers, HOPE beds, the family policy council and

community public health and safety networks, the street youth program, public notification about registered sex offenders, and narcotics or methamphetamine-related enforcement, education, training, and drug and alcohol treatment services.

**Sec. 926.** RCW 43.10.180 and 2003 1st sp.s. c 25 s 917 are each amended to read as follows:

(1) The attorney general shall keep such records as are necessary to facilitate proper allocation of costs to funds and agencies served and the director of financial management shall prescribe appropriate accounting procedures to accurately allocate costs to funds and agencies served. Billings shall be adjusted in line with actual costs incurred at intervals not to exceed six months.

(2) During the ~~((2003-05))~~ 2005-2007 fiscal biennium, all expenses for administration of the office of the attorney general shall be allocated to and paid from the legal services revolving fund in accordance with accounting procedures prescribed by the director of financial management.

**Sec. 927.** RCW 43.30.305 and 2003 c 334 s 120 are each amended to read as follows:

A revolving fund in the custody of the state treasurer, to be known as the natural resources equipment fund, is hereby created to be expended by the department without appropriation solely for the purchase of equipment, machinery, and supplies for the use of the department and for the payment of the costs of repair and maintenance of such equipment, machinery, and supplies. During the 2005-2007 fiscal biennium the legislature may transfer such amounts as represent the excess balance of the fund to the state general fund.

**Sec. 928.** RCW 43.43.944 and 2003 1st sp.s. c 25 s 919 are each amended to read as follows:

(1) The fire service training account is hereby established in the state treasury. The fund shall consist of:

(a) All fees received by the Washington state patrol for fire service training;

(b) All grants and bequests accepted by the Washington state patrol under RCW 43.43.940; and

(c) Twenty percent of all moneys received by the state on fire insurance premiums.

(2) Moneys in the account may be appropriated only for fire service training. During the ~~((2003-2005))~~ 2005-2007 fiscal biennium, the legislature may appropriate funds from this account for school fire prevention activities within the Washington state patrol.

**Sec. 929.** RCW 43.72.900 and 2003 c 259 s 1 are each amended to read as follows:

(1) The health services account is created in the state treasury. Moneys in the account may be spent only after appropriation. Subject to the transfers described in subsection (3) of this section, moneys in the account may be expended only for maintaining and expanding health services access for low-income residents, maintaining and expanding the public health system, maintaining and improving the capacity of the health care system, containing health care costs, and the regulation, planning, and administering of the health care system.

(2) Funds deposited into the health services account under RCW 82.24.028 and 82.26.028 shall be used solely as follows:

(a) Five million dollars for the state fiscal year beginning July 1, 2002, and five million dollars for the state fiscal year beginning July 1, 2003, shall be appropriated by the legislature for programs that effectively improve the health of low-income persons, including efforts to reduce diseases and illnesses that harm low-income persons. The department of health shall submit a report to the legislature on March 1, 2002, evaluating the cost-effectiveness of programs that improve the health of low-income persons and address diseases and illnesses that disproportionately affect low-income persons, and making recommendations to the legislature on which of these programs could most effectively utilize the funds appropriated under this subsection.

(b) Ten percent of the funds deposited into the health services account under RCW 82.24.028 and 82.26.028 remaining after the appropriation under (a) of this subsection shall be transferred no less

frequently than annually by the treasurer to the tobacco prevention and control account established by RCW 43.79.480. The funds transferred shall be used exclusively for implementation of the Washington state tobacco prevention and control plan and shall be used only to supplement, and not supplant, funds in the tobacco prevention and control account as of January 1, 2001, however, these funds may be used to replace funds appropriated by the legislature for further implementation of the Washington state tobacco prevention and control plan for the biennium beginning July 1, 2001. For each state fiscal year beginning on and after July 1, 2002, the legislature shall appropriate no less than twenty-six million two hundred forty thousand dollars from the tobacco prevention and control account for implementation of the Washington state tobacco prevention and control plan.

(c) Because of its demonstrated effectiveness in improving the health of low-income persons and addressing illnesses and diseases that harm low-income persons, the remainder of the funds deposited into the health services account under RCW 82.24.028 and 82.26.028 shall be appropriated solely for Washington basic health plan enrollment as provided in chapter 70.47 RCW. Funds appropriated under this subsection may be used to support outreach and enrollment activities only to the extent necessary to achieve the enrollment goals described in this section.

(3) Prior to expenditure for the purposes described in subsection (2) of this section, funds deposited into the health services account under RCW 82.24.028 and 82.26.028 shall first be transferred to the following accounts to ensure the continued availability of previously dedicated revenues for certain existing programs:

(a) To the violence reduction and drug enforcement account under RCW 69.50.520, two million two hundred forty-nine thousand five hundred dollars for the state fiscal year beginning July 1, 2001, four million two hundred forty-eight thousand dollars for the state fiscal year beginning July 1, 2002, seven million seven hundred eighty-nine thousand dollars for the biennium beginning July 1, 2003, six million nine hundred thirty-two thousand dollars for the biennium beginning July 1, 2005, and six million nine hundred thirty-two thousand dollars for each biennium thereafter, as required by RCW 82.24.020(2);

(b) To the health services account under this section, nine million seventy-seven thousand dollars for the state fiscal year beginning July 1, 2001, seventeen million one hundred eighty-eight thousand dollars for the state fiscal year beginning July 1, 2002, thirty-one million seven hundred fifty-five thousand dollars for the biennium beginning July 1, 2003, twenty-eight million six hundred twenty-two thousand dollars for the biennium beginning July 1, 2005, and twenty-eight million six hundred twenty-two thousand dollars for each biennium thereafter, as required by RCW 82.24.020(3); and

(c) To the water quality account under RCW 70.146.030, two million two hundred three thousand five hundred dollars for the state fiscal year beginning July 1, 2001, four million two hundred forty-four thousand dollars for the state fiscal year beginning July 1, 2002, eight million one hundred eighty-two thousand dollars for the biennium beginning July 1, 2003, seven million eight hundred eighty-five thousand dollars for the biennium beginning July 1, 2005, and seven million eight hundred eighty-five thousand dollars for each biennium thereafter, as required by RCW 82.24.027(2)(a).

During the ~~((2001-2003))~~ 2005-2007 fiscal biennium, the legislature may transfer from the health services account such amounts as reflect the excess fund balance of the account to the state general fund.

**Sec. 930.** RCW 43.135.045 and 2003 1st sp.s. c 25 s 920 are each amended to read as follows:

(1) The emergency reserve fund is established in the state treasury. During each fiscal year, the state treasurer shall deposit in the emergency reserve fund all general fund--state revenues in excess of the state expenditure limit for that fiscal year. Deposits shall be made at the end of each fiscal quarter based on projections of state revenues and the state expenditure limit. The treasurer shall make transfers between these accounts as necessary to reconcile actual annual revenues and the expenditure limit for fiscal year 2000 and thereafter.

(2) The legislature may appropriate moneys from the emergency reserve fund only with approval of at least two-thirds of the members of each house of the legislature, and then only if the appropriation does not cause total expenditures to exceed the state expenditure limit under this chapter.

(3) The emergency reserve fund balance shall not exceed five percent of annual general fund--state revenues as projected by the official state revenue forecast. Any balance in excess of five percent shall be transferred on a quarterly basis by the state treasurer as follows: Seventy-five percent to the student achievement fund hereby created in the state treasury and twenty-five percent to the general fund balance. The treasurer shall make transfers between these accounts as necessary to reconcile actual annual revenues for fiscal year 2000 and thereafter. When per-student state funding for the maintenance and operation of K-12 education meets a level of no less than ninety percent of the national average of total funding from all sources per student as determined by the most recent published data from the national center for education statistics of the United States department of education, as calculated by the office of financial management, further deposits to the student achievement fund shall be required only to the extent necessary to maintain the ninety-percent level. Remaining funds are part of the general fund balance and these funds are subject to the expenditure limits of this chapter.

(4) The education construction fund is hereby created in the state treasury.

(a) Funds may be appropriated from the education construction fund exclusively for common school construction or higher education construction.

(b) Funds may be appropriated for any other purpose only if approved by a two-thirds vote of each house of the legislature and if approved by a vote of the people at the next general election. An appropriation approved by the people under this subsection shall result in an adjustment to the state expenditure limit only for the fiscal period for which the appropriation is made and shall not affect any subsequent fiscal period.

(5) Funds from the student achievement fund shall be appropriated to the superintendent of public instruction strictly for distribution to school districts to meet the provisions set out in the student achievement act. Allocations shall be made on an equal per full-time equivalent student basis to each school district.

(6) Earnings of the emergency reserve fund under RCW 43.84.092(4)(a) shall be transferred quarterly to the multimodal transportation account, except for those earnings that are in excess of thirty-five million dollars each fiscal year. Within thirty days following any fiscal year in which earnings transferred to the multimodal transportation account under this subsection did not total thirty-five million dollars, the state treasurer shall transfer from the emergency reserve fund an amount necessary to bring the total deposited in the multimodal transportation account under this subsection to thirty-five million dollars. The revenues to the multimodal transportation account reflected in this subsection provide ongoing support for the transportation programs of the state. However, it is the intent of the legislature that any new long-term financial support that may be subsequently provided for transportation programs will be used to replace and supplant the revenues reflected in this subsection, thereby allowing those revenues to be returned to the purposes to which they were previously dedicated. No transfers from the emergency reserve fund to the multimodal fund shall be made during the ~~((2003-05))~~ 2005-2007 fiscal biennium.

**Sec. 931.** RCW 43.320.110 and 2003 1st sp.s. c 25 s 921 and 2003 c 288 s 1 are each reenacted and amended to read as follows:

There is created a local fund known as the "financial services regulation fund" which shall consist of all moneys received by the divisions of the department of financial institutions, except for the division of securities which shall deposit thirteen percent of all moneys received, except as provided in RCW 43.320.115, and which shall be used for the purchase of supplies and necessary equipment; the payment of salaries, wages, and utilities; the establishment of reserves; and other incidental costs required for the proper regulation of individuals and entities subject to regulation by the department. The state treasurer shall be the custodian of the fund. Disbursements

from the fund shall be on authorization of the director of financial institutions or the director's designee. In order to maintain an effective expenditure and revenue control, the fund shall be subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditures and payment of obligations from the fund.

During the 2005-2007 fiscal biennium, the legislature may transfer from the financial services regulation fund to the state general fund such amounts as reflect the excess fund balance of the fund.

**Sec. 932.** RCW 50.16.010 and 2003 2nd sp.s. c 4 s 23 and 2003 1st sp.s. c 25 s 925 are each reenacted and amended to read as follows:

(1) There shall be maintained as special funds, separate and apart from all public moneys or funds of this state an unemployment compensation fund, an administrative contingency fund, and a federal interest payment fund, which shall be administered by the commissioner exclusively for the purposes of this title, and to which RCW 43.01.050 shall not be applicable.

(2)(a) The unemployment compensation fund shall consist of:

(i) All contributions collected under RCW 50.24.010 and payments in lieu of contributions collected pursuant to the provisions of this title;

(ii) Any property or securities acquired through the use of moneys belonging to the fund;

(iii) All earnings of such property or securities;

(iv) Any moneys received from the federal unemployment account in the unemployment trust fund in accordance with Title XII of the social security act, as amended;

(v) All money recovered on official bonds for losses sustained by the fund;

(vi) All money credited to this state's account in the unemployment trust fund pursuant to section 903 of the social security act, as amended;

(vii) All money received from the federal government as reimbursement pursuant to section 204 of the federal-state extended compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304); and

(viii) All moneys received for the fund from any other source.

(b) All moneys in the unemployment compensation fund shall be commingled and undivided.

(3)(a) Except as provided in (b) of this subsection, the administrative contingency fund shall consist of:

(i) All interest on delinquent contributions collected pursuant to this title;

(ii) All fines and penalties collected pursuant to the provisions of this title;

(iii) All sums recovered on official bonds for losses sustained by the fund; and

(iv) Revenue received under RCW 50.24.014.

(b) All fees, fines, forfeitures, and penalties collected or assessed by a district court because of the violation of this title or rules adopted under this title shall be remitted as provided in chapter 3.62 RCW.

(c) Moneys available in the administrative contingency fund, other than money in the special account created under RCW 50.24.014(1)(a), shall be expended upon the direction of the commissioner, with the approval of the governor, whenever it appears to him or her that such expenditure is necessary solely for:

(i) The proper administration of this title and no federal funds are available for the specific purpose to which such expenditure is to be made, provided, the moneys are not substituted for appropriations from federal funds which, in the absence of such moneys, would be made available.

(ii) The proper administration of this title for which purpose appropriations from federal funds have been requested but not yet received, provided, the administrative contingency fund will be reimbursed upon receipt of the requested federal appropriation.

(iii) The proper administration of this title for which compliance and audit issues have been identified that establish federal claims requiring the expenditure of state resources in resolution. Claims must be resolved in the following priority: First priority is to provide

services to eligible participants within the state; second priority is to provide substitute services or program support; and last priority is the direct payment of funds to the federal government.

(d) During the ~~((2003-2005))~~ 2005-2007 fiscal biennium, the cost of the job skills program and the alliance for corporate education at community and technical colleges as appropriated by the legislature.

Money in the special account created under RCW 50.24.014(1)(a) may only be expended, after appropriation, for the purposes specified in this section and RCW 50.62.010, 50.62.020, 50.62.030, 50.24.014, 50.44.053, and 50.22.010.

**Sec. 933.** RCW 66.16.010 and 2003 1st sp.s. c 25 s 928 are each amended to read as follows:

(1) There shall be established at such places throughout the state as the liquor control board, constituted under this title, shall deem advisable, stores to be known as "state liquor stores," for the sale of liquor in accordance with the provisions of this title and the regulations: PROVIDED, That the prices of all liquor shall be fixed by the board from time to time so that the net annual revenue received by the board therefrom shall not exceed thirty-five percent. Effective no later than ~~((September 1, 2003))~~ July 1, 2005, 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. The intent of this surcharge is to raise ~~(((\$14,000,000 in additional))~~ revenue for the general fund-state ((revenue)) for the ((2003-))2005-2007 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)) 2007.

(2) The liquor control board may, from time to time, fix the special price at which pure ethyl alcohol may be sold to physicians and dentists and institutions regularly conducted as hospitals, for use or consumption only in such hospitals; and may also fix the special price at which pure ethyl alcohol may be sold to schools, colleges and universities within the state for use for scientific purposes. Regularly conducted hospitals may have right to purchase pure ethyl alcohol on a federal permit.

(3) The liquor control board may also fix the special price at which pure ethyl alcohol may be sold to any department, branch or institution of the state of Washington, federal government, or to any person engaged in a manufacturing or industrial business or in scientific pursuits requiring alcohol for use therein.

(4) The liquor control board may also fix a special price at which pure ethyl alcohol may be sold to any private individual, and shall make regulations governing such sale of alcohol to private individuals as shall promote, as nearly as may be, the minimum purchase of such alcohol by such persons.

**Sec. 934.** RCW 67.40.040 and 2003 1st sp.s. c 25 s 929 are each amended to read as follows:

(1) The proceeds from the sale of the bonds authorized in RCW 67.40.030, proceeds of the taxes imposed under RCW 67.40.090 and 67.40.130, and all other moneys received by the state convention and trade center from any public or private source which are intended to fund the acquisition, design, construction, expansion, exterior cleanup and repair of the Eagles building, conversion of various retail and other space to meeting rooms, purchase of the land and building known as the McKay Parcel, development of low-income housing, or renovation of the center, and those expenditures authorized under RCW 67.40.170 shall be deposited in the state convention and trade center account hereby created in the state treasury and in such subaccounts as are deemed appropriate by the directors of the corporation.

(2) Moneys in the account, including unanticipated revenues under RCW 43.79.270, shall be used exclusively for the following purposes in the following priority:

(a) For reimbursement of the state general fund under RCW 67.40.060;

(b) After appropriation by statute:

(i) For payment of expenses incurred in the issuance and sale of the bonds issued under RCW 67.40.030;

(ii) For expenditures authorized in RCW 67.40.170;

(iii) For acquisition, design, and construction of the state convention and trade center; and

(iv) For reimbursement of any expenditures from the state general fund in support of the state convention and trade center; and

(c) For transfer to the state convention and trade center operations account.

(3) The corporation shall identify with specificity those facilities of the state convention and trade center that are to be financed with proceeds of general obligation bonds, the interest on which is intended to be excluded from gross income for federal income tax purposes. The corporation shall not permit the extent or manner of private business use of those bond-financed facilities to be inconsistent with treatment of such bonds as governmental bonds under applicable provisions of the Internal Revenue Code of 1986, as amended.

(4) In order to ensure consistent treatment of bonds authorized under RCW 67.40.030 with applicable provisions of the Internal Revenue Code of 1986, as amended, and notwithstanding RCW 43.84.092, investment earnings on bond proceeds deposited in the state convention and trade center account in the state treasury shall be retained in the account, and shall be expended by the corporation for the purposes authorized under chapter 386, Laws of 1995 and in a manner consistent with applicable provisions of the Internal Revenue Code of 1986, as amended.

(5) During the ~~((2003-))~~ 2005-2007 fiscal biennium, the legislature may transfer from the state convention and trade center account to the state general fund such amounts as reflect the excess fund balance of the account.

**Sec. 935.** RCW 69.50.520 and 2004 c 276 s 912 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(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))~~ 2005-2007 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, and grants to community networks under chapter 70.190 RCW by the family policy council.

**Sec. 936.** RCW 70.93.180 and 1998 c 257 s 5 are each amended to read as follows:

(1) There is hereby created an account within the state treasury to be known as the "waste reduction, recycling, and litter control account". Moneys in the account may be spent only after appropriation. Expenditures from the waste reduction, recycling, and litter control account shall be used as follows:

(a) Fifty percent to the department of ecology, for use by the departments of ecology, natural resources, revenue, transportation, and corrections, and the parks and recreation commission, for use in litter collection programs, to be distributed under RCW 70.93.220. The amount to the department of ecology shall also be used for a central coordination function for litter control efforts statewide, for the biennial litter survey under RCW 70.93.200(8), and for statewide public awareness programs under RCW 70.93.200(7). The amount to the department shall also be used to defray the costs of administering the funding, coordination, and oversight of local government programs for waste reduction, litter control, and recycling, so that local governments can apply one hundred percent of their funding to achieving program goals. The amount to the

department of revenue shall be used to enforce compliance with the litter tax imposed in chapter 82.19 RCW;

(b) Twenty percent to the department for local government funding programs for waste reduction, litter control, and recycling activities by cities and counties under RCW 70.93.250, to be administered by the department of ecology; and

(c) Thirty percent to the department of ecology for waste reduction and recycling efforts.

(2) All taxes imposed in RCW 82.19.010 and fines and bail forfeitures collected or received pursuant to this chapter shall be deposited in the waste reduction, recycling, and litter control account and used for the programs under subsection (1) of this section.

(3) Not less than five percent and no more than ten percent of the amount appropriated into the waste reduction, recycling, and litter control account every biennium shall be reserved for capital needs, including the purchase of vehicles for transporting crews and for collecting litter and solid waste. Capital funds shall be distributed among state agencies and local governments according to the same criteria provided in RCW 70.93.220 for the remainder of the funds, so that the most effective waste reduction, litter control, and recycling programs receive the most funding. The intent of this subsection is to provide funds for the purchase of equipment that will enable the department to account for the greatest return on investment in terms of reaching a zero litter goal.

(4) During the 2005-2007 fiscal biennium, the legislature may transfer from the waste reduction, recycling, and litter control account to the state general fund such amounts as reflect the excess fund balance of the account.

**Sec. 937.** RCW 70.105D.070 and 2003 1st sp.s. c 25 s 933 are each amended to read as follows:

(1) The state toxics control account and the local toxics control account are hereby created in the state treasury.

(2) The following moneys shall be deposited into the state toxics control account: (a) Those revenues which are raised by the tax imposed under RCW 82.21.030 and which are attributable to that portion of the rate equal to thirty-three one-hundredths of one percent; (b) the costs of remedial actions recovered under this chapter or chapter 70.105A RCW; (c) penalties collected or recovered under this chapter; and (d) any other money appropriated or transferred to the account by the legislature. Moneys in the account may be used only to carry out the purposes of this chapter, including but not limited to the following activities:

(i) The state's responsibility for hazardous waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.105 RCW;

(ii) The state's responsibility for solid waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.95 RCW;

(iii) The hazardous waste cleanup program required under this chapter;

(iv) State matching funds required under the federal cleanup law;

(v) Financial assistance for local programs in accordance with chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

(vi) State government programs for the safe reduction, recycling, or disposal of hazardous wastes from households, small businesses, and agriculture;

(vii) Hazardous materials emergency response training;

(viii) Water and environmental health protection and monitoring programs;

(ix) Programs authorized under chapter 70.146 RCW;

(x) A public participation program, including regional citizen advisory committees;

(xi) Public funding to assist potentially liable persons to pay for the costs of remedial action in compliance with cleanup standards under RCW 70.105D.030(2)(e) but only when the amount and terms of such funding are established under a settlement agreement under RCW 70.105D.040(4) and when the director has found that the funding will achieve both (A) a substantially more expeditious or enhanced cleanup than would otherwise occur, and (B) the prevention or mitigation of unfair economic hardship; and

(xii) Development and demonstration of alternative management technologies designed to carry out the top two hazardous waste management priorities of RCW 70.105.150.

(3) The following moneys shall be deposited into the local toxics control account: Those revenues which are raised by the tax imposed under RCW 82.21.030 and which are attributable to that portion of the rate equal to thirty-seven one-hundredths of one percent.

(a) Moneys deposited in the local toxics control account shall be used by the department for grants or loans to local governments for the following purposes in descending order of priority: (i) Remedial actions; (ii) hazardous waste plans and programs under chapter 70.105 RCW; (iii) solid waste plans and programs under chapters 70.95, 70.95C, 70.95I, and 70.105 RCW; (iv) funds for a program to assist in the assessment and cleanup of sites of methamphetamine production, but not to be used for the initial containment of such sites, consistent with the responsibilities and intent of RCW 69.50.511; and (v) cleanup and disposal of hazardous substances from abandoned or derelict vessels that pose a threat to human health or the environment. For purposes of this subsection (3)(a)(v), "abandoned or derelict vessels" means vessels that have little or no value and either have no identified owner or have an identified owner lacking financial resources to clean up and dispose of the vessel. Funds for plans and programs shall be allocated consistent with the priorities and matching requirements established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW. During the 1999-2001 fiscal biennium, moneys in the account may also be used for the following activities: Conducting a study of whether dioxins occur in fertilizers, soil amendments, and soils; reviewing applications for registration of fertilizers; and conducting a study of plant uptake of metals. ~~(During the 2003-05 fiscal biennium, the legislature may transfer from the local toxics control account to the state toxics control account such amounts as specified in the omnibus operating budget bill for methamphetamine lab cleanup.)~~ During the 2005-2007 fiscal biennium, moneys in the account may also be used for grants to local governments to retrofit public sector diesel equipment and for storm water planning and implementation activities.

(b) Funds may also be appropriated to the department of health to implement programs to reduce testing requirements under the federal safe drinking water act for public water systems. The department of health shall reimburse the account from fees assessed under RCW 70.119A.115 by June 30, 1995.

(4) Except for unanticipated receipts under RCW 43.79.260 through 43.79.282, moneys in the state and local toxics control accounts may be spent only after appropriation by statute.

(5) One percent of the moneys deposited into the state and local toxics control accounts shall be allocated only for public participation grants to persons who may be adversely affected by a release or threatened release of a hazardous substance and to not-for-profit public interest organizations. The primary purpose of these grants is to facilitate the participation by persons and organizations in the investigation and remedying of releases or threatened releases of hazardous substances and to implement the state's solid and hazardous waste management priorities. However, during the 1999-2001 fiscal biennium, funding may not be granted to entities engaged in lobbying activities, and applicants may not be awarded grants if their cumulative grant awards under this section exceed two hundred thousand dollars. No grant may exceed sixty thousand dollars. Grants may be renewed annually. Moneys appropriated for public participation from either account which are not expended at the close of any biennium shall revert to the state toxics control account.

(6) No moneys deposited into either the state or local toxics control account may be used for solid waste incinerator feasibility studies, construction, maintenance, or operation.

(7) The department shall adopt rules for grant or loan issuance and performance.

(8) During the 2005-2007 fiscal biennium, the legislature may transfer from the state toxics control account to the state general fund such amounts as reflect the excess fund balance of the fund.

**Sec. 938.** RCW 70.146.030 and 2004 c 277 s 909 are each amended to read as follows:

(1) The water quality account is hereby created in the state treasury. Moneys in the account may be used only in a manner

consistent with this chapter. Moneys deposited in the account shall be administered by the department of ecology and shall be subject to legislative appropriation. Moneys placed in the account shall include tax receipts as provided in RCW 82.24.027, 82.26.025, and 82.32.390, principal and interest from the repayment of any loans granted pursuant to this chapter, and any other moneys appropriated to the account by the legislature.

(2) The department may use or permit the use of any moneys in the account to make grants or loans to public bodies, including grants to public bodies as cost-sharing moneys in any case where federal, local, or other funds are made available on a cost-sharing basis, for water pollution control facilities and activities, or for purposes of assisting a public body to obtain an ownership interest in water pollution control facilities and/or to defray a part of the payments made by a public body to a service provider under a service agreement entered into pursuant to RCW 70.150.060, within the purposes of this chapter and for related administrative expenses. For the period July 1, ~~((2003))~~ 2005, to June 30, ~~((2005))~~ 2007, moneys in the account may be used to process applications received by the department that seek to make changes to or transfer existing water rights, for water conveyance projects, and for grants and technical assistance to public bodies for watershed planning under chapter 90.82 RCW. No more than three percent of the moneys deposited in the account may be used by the department to pay for the administration of the grant and loan program authorized by this chapter.

(3) Beginning with the biennium ending June 30, 1997, the department shall present a biennial progress report on the use of moneys from the account to the chairs of the senate committee on ways and means and the house of representatives committee on appropriations. The first report is due June 30, 1996, and the report for each succeeding biennium is due December 31 of the odd-numbered year. The report shall consist of a list of each recipient, project description, and amount of the grant, loan, or both.

**Sec. 939.** RCW 70.146.080 and 2003 1st sp.s. c 25 s 935 are each amended to read as follows:

Within thirty days after June 30, 1987, and within thirty days after each succeeding fiscal year thereafter, the state treasurer shall determine the tax receipts deposited into the water quality account for the preceding fiscal year. If the tax receipts deposited into the account in each of the fiscal years 1988 and 1989 are less than forty million dollars, the state treasurer shall transfer sufficient moneys from general state revenues into the water quality account to bring the total receipts in each fiscal year up to forty million dollars.

For the biennium ending June 30, 1991, if the tax receipts deposited into the water quality account and the earnings on investment of balances credited to the account are less than ninety million dollars, the treasurer shall transfer sufficient moneys from general state revenues into the water quality account to bring the total revenue up to ninety million dollars. The determination and transfer shall be made by July 31, 1991.

For fiscal year 1992 and for fiscal years 1995 and 1996 and thereafter, if the tax receipts deposited into the water quality account for each fiscal year are less than forty-five million dollars, the treasurer shall transfer sufficient moneys from general state revenues into the water quality account to bring the total revenue up to forty-five million dollars. However, during the ~~((2003-05))~~ 2005-2007 fiscal biennium, the legislature may specify the transfer of a different amount in the operating budget bill. Determinations and transfers shall be made by July 31 for the preceding fiscal year.

**Sec. 940.** RCW 70.148.020 and 1999 c 73 s 1 are each amended to read as follows:

(1) The pollution liability insurance program trust account is established in the custody of the state treasurer. All funds appropriated for this chapter and all premiums collected for reinsurance shall be deposited in the account. Expenditures from the account shall be used exclusively for the purposes of this chapter including payment of costs of administering the pollution liability insurance and underground storage tank community assistance programs. Expenditures for payment of administrative and operating costs of the agency are subject to the allotment procedures under

chapter 43.88 RCW and may be made only after appropriation by statute. No appropriation is required for other expenditures from the account.

(2) Each calendar quarter, the director shall report to the insurance commissioner the loss and surplus reserves required for the calendar quarter. The director shall notify the department of revenue of this amount by the fifteenth day of each calendar quarter.

(3) Each calendar quarter the director shall determine the amount of reserves necessary to fund commitments made to provide financial assistance under RCW 70.148.130 to the extent that the financial assistance reserves do not jeopardize the operations and liabilities of the pollution liability insurance program. The director shall notify the department of revenue of this amount by the fifteenth day of each calendar quarter. The director may immediately establish an initial financial assistance reserve of five million dollars from available revenues. The director may not expend more than fifteen million dollars for the financial assistance program.

(4) During the 2005-2007 fiscal biennium, the legislature may transfer from the pollution liability insurance program trust account to the state general fund such amounts as reflect the excess fund balance of the account.

(5) This section expires June 1, ~~((2001-2007))~~ 2007.

**Sec. 941.** RCW 72.11.040 and 2003 1st sp.s. c 25 s 936 are each amended to read as follows:

The cost of supervision fund is created in the custody of the state treasurer. All receipts from assessments made under RCW 9.94A.780 and 72.04A.120 shall be deposited into the fund. Expenditures from the fund may be used only to support the collection of legal financial obligations. During the ~~((2003-2005))~~ 2005-2007 biennium, funds from the account may also be used for costs associated with the department's supervision of the offenders in the community. Only the secretary of the department of corrections or the secretary's designee may authorize expenditures from the fund. The fund is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

**Sec. 942.** RCW 74.46.431 and 2004 c 276 s 913 are each amended to read as follows:

(1) Effective July 1, 1999, nursing facility medicaid payment rate allocations shall be facility-specific and shall have seven components: Direct care, therapy care, support services, operations, property, financing allowance, and variable return. The department shall establish and adjust each of these components, as provided in this section and elsewhere in this chapter, for each medicaid nursing facility in this state.

(2) All component rate allocations for essential community providers as defined in this chapter shall be based upon a minimum facility occupancy of eighty-five percent of licensed beds, regardless of how many beds are set up or in use. For all facilities other than essential community providers, effective July 1, 2001, component rate allocations in direct care, therapy care, support services, variable return, operations, property, and financing allowance shall continue to be based upon a minimum facility occupancy of eighty-five percent of licensed beds. For all facilities other than essential community providers, effective July 1, 2002, the component rate allocations in operations, property, and financing allowance shall be based upon a minimum facility occupancy of ninety percent of licensed beds, regardless of how many beds are set up or in use.

(3) Information and data sources used in determining medicaid payment rate allocations, including formulas, procedures, cost report periods, resident assessment instrument formats, resident assessment methodologies, and resident classification and case mix weighting methodologies, may be substituted or altered from time to time as determined by the department.

(4)(a) Direct care component rate allocations shall be established using adjusted cost report data covering at least six months. Adjusted cost report data from 1996 will be used for October 1, 1998, through June 30, 2001, direct care component rate allocations; adjusted cost report data from 1999 will be used for July 1, 2001, through June 30, 2005, direct care component rate allocations. Adjusted cost report data from 1999 will continue to be used for July 1, 2005, and later direct care component rate allocations.

(b) Direct care component rate allocations based on 1996 cost report data shall be adjusted annually for economic trends and conditions by a factor or factors defined in the biennial appropriations act. A different economic trends and conditions adjustment factor or factors may be defined in the biennial appropriations act for facilities whose direct care component rate is set equal to their adjusted June 30, 1998, rate, as provided in RCW 74.46.506(5)(i).

(c) Direct care component rate allocations based on 1999 cost report data shall be adjusted annually for economic trends and conditions by a factor or factors defined in the biennial appropriations act. A different economic trends and conditions adjustment factor or factors may be defined in the biennial appropriations act for facilities whose direct care component rate is set equal to their adjusted June 30, 1998, rate, as provided in RCW 74.46.506(5)(i).

(5)(a) Therapy care component rate allocations shall be established using adjusted cost report data covering at least six months. Adjusted cost report data from 1996 will be used for October 1, 1998, through June 30, 2001, therapy care component rate allocations; adjusted cost report data from 1999 will be used for July 1, 2001, through June 30, 2005, therapy care component rate allocations. Adjusted cost report data from 1999 will continue to be used for July 1, 2005, and later therapy care component rate allocations.

(b) Therapy care component rate allocations shall be adjusted annually for economic trends and conditions by a factor or factors defined in the biennial appropriations act.

(6)(a) Support services component rate allocations shall be established using adjusted cost report data covering at least six months. Adjusted cost report data from 1996 shall be used for October 1, 1998, through June 30, 2001, support services component rate allocations; adjusted cost report data from 1999 shall be used for July 1, 2001, through June 30, 2005, support services component rate allocations. Adjusted cost report data from 1999 will continue to be used for July 1, 2005, and later support services component rate allocations.

(b) Support services component rate allocations shall be adjusted annually for economic trends and conditions by a factor or factors defined in the biennial appropriations act.

(7)(a) Operations component rate allocations shall be established using adjusted cost report data covering at least six months. Adjusted cost report data from 1996 shall be used for October 1, 1998, through June 30, 2001, operations component rate allocations; adjusted cost report data from 1999 shall be used for July 1, 2001, through June 30, 2005, operations component rate allocations. Adjusted cost report data from 1999 will continue to be used for July 1, 2005, and later operations component rate allocations.

(b) Operations component rate allocations shall be adjusted annually for economic trends and conditions by a factor or factors defined in the biennial appropriations act.

(8) For July 1, 1998, through September 30, 1998, a facility's property and return on investment component rates shall be the facility's June 30, 1998, property and return on investment component rates, without increase. For October 1, 1998, through June 30, 1999, a facility's property and return on investment component rates shall be rebased utilizing 1997 adjusted cost report data covering at least six months of data.

(9) Total payment rates under the nursing facility medicaid payment system shall not exceed facility rates charged to the general public for comparable services.

(10) Medicaid contractors shall pay to all facility staff a minimum wage of the greater of the state minimum wage or the federal minimum wage.

(11) The department shall establish in rule procedures, principles, and conditions for determining component rate allocations for facilities in circumstances not directly addressed by this chapter, including but not limited to: The need to prorate inflation for partial-period cost report data, newly constructed facilities, existing facilities entering the medicaid program for the first time or after a period of absence from the program, existing facilities with expanded new bed capacity, existing medicaid facilities following a change of ownership of the nursing facility business, facilities banking beds or converting

beds back into service, facilities temporarily reducing the number of set-up beds during a remodel, facilities having less than six months of either resident assessment, cost report data, or both, under the current contractor prior to rate setting, and other circumstances.

(12) The department shall establish in rule procedures, principles, and conditions, including necessary threshold costs, for adjusting rates to reflect capital improvements or new requirements imposed by the department or the federal government. Any such rate adjustments are subject to the provisions of RCW 74.46.421.

(13) Effective July 1, 2001, medicaid rates shall continue to be revised downward in all components, in accordance with department rules, for facilities converting banked beds to active service under chapter 70.38 RCW, by using the facility's increased licensed bed capacity to recalculate minimum occupancy for rate setting. However, for facilities other than essential community providers which bank beds under chapter 70.38 RCW, after May 25, 2001, medicaid rates shall be revised upward, in accordance with department rules, in direct care, therapy care, support services, and variable return components only, by using the facility's decreased licensed bed capacity to recalculate minimum occupancy for rate setting, but no upward revision shall be made to operations, property, or financing allowance component rates.

(14) Facilities obtaining a certificate of need or a certificate of need exemption under chapter 70.38 RCW after June 30, 2001, must have a certificate of capital authorization in order for (a) the depreciation resulting from the capitalized addition to be included in calculation of the facility's property component rate allocation; and (b) the net invested funds associated with the capitalized addition to be included in calculation of the facility's financing allowance rate allocation.

**Sec. 943.** RCW 79.64.040 and 2004 c 199 s 227 are each amended to read as follows:

(1) The board shall determine the amount deemed necessary in order to achieve the purposes of this chapter and shall provide by rule for the deduction of this amount from the moneys received from all leases, sales, contracts, licenses, permits, easements, and rights of way issued by the department and affecting state lands and aquatic lands, provided that no deduction shall be made from the proceeds from agricultural college lands.

(2) Moneys received as deposits from successful bidders, advance payments, and security under RCW 79.15.100, 79.15.080, and 79.11.150 prior to December 1, 1981, which have not been subjected to deduction under this section are not subject to deduction under this section.

(3) Except as otherwise provided in subsection (5) of this section, the deductions authorized under this section shall ((in no event)) not exceed twenty-five percent of the moneys received by the department in connection with any one transaction pertaining to state lands and aquatic lands other than second class tide and shore lands and the beds of navigable waters, and fifty percent of the moneys received by the department pertaining to second class tide and shore lands and the beds of navigable waters.

(4) In the event that the department sells logs using the contract harvesting process described in RCW 79.15.500 through 79.15.530, the moneys received subject to this section are the net proceeds from the contract harvesting sale.

(5) During fiscal year 2006 only, the twenty-five percent limitation on deductions set in subsection (3) of this section may be increased to thirty percent by the board. If so increased, the department must provide a report by January 9, 2006 to the appropriate committees of the legislature on the use of the increased amount.

**Sec. 944.** RCW 79.90.245 and 2004 c 276 s 914 are each amended to read as follows:

After deduction for management costs as provided in RCW 79.64.040 and payments to towns under RCW 79.92.110(2), all moneys received by the state from the sale or lease of state-owned aquatic lands and from the sale of valuable material from state-owned aquatic lands shall be deposited in the aquatic lands enhancement account which is hereby created in the state treasury. After appropriation, these funds shall be used solely for aquatic lands

enhancement projects; for the purchase, improvement, or protection of aquatic lands for public purposes; for providing and improving access to such lands; and for volunteer cooperative fish and game projects.

In providing grants for aquatic lands enhancement projects, the department shall require grant recipients to incorporate the environmental benefits of the project into their grant applications, and the department shall utilize the statement of environmental benefits in its prioritization and selection process. The department shall also develop appropriate outcome-focused performance measures to be used both for management and performance assessment of the grants. To the extent possible, the department should coordinate its performance measure system with other natural resource-related agencies as defined in RCW 43.41.270. The department shall consult with affected interest groups in implementing this section.

During the fiscal biennium ending June 30, ~~((2005))~~ 2007, the funds may be appropriated for boating safety, settlement costs for aquatic lands cleanup, and shellfish management, enforcement, and enhancement and assistance to local governments for septic system surveys and data bases.

**Sec. 945.** RCW 86.26.007 and 2003 1st sp.s. c 25 s 943 are each amended to read as follows:

The flood control assistance account is hereby established in the state treasury. At the beginning of the ~~((1997-99 fiscal biennium and each))~~ 2005-2007 fiscal biennium, the state treasurer shall transfer two million dollars from the general fund to the flood control assistance account. Each biennium thereafter the state treasurer shall transfer four million dollars from the general fund to the flood control assistance account. Moneys in the flood control assistance account may be spent only after appropriation for purposes specified under this chapter. ((During the 2003-2005 fiscal biennium, the legislature may transfer from the flood control assistance account to the state general fund such amounts as reflect the excess fund balance of the account.))

**NEW SECTION. Sec. 946. FOR THE OFFICE OF FINANCIAL MANAGEMENT--UNFUNDED PENSION LIABILITY.** (1) It is the intent of the legislature to use one-half of state general fund revenues that are received by the state in excess of revenues assumed in this act to reduce the unfunded liabilities in the public employees' retirement system and the teachers' retirement system, plans 1.

(2)(a) The office of financial management shall calculate the difference between the June 2005 general fund state revenue forecast and the amount of revenues assumed in this act. If the official revenue forecast is greater than the revenue assumed in this act when enacted, the state actuary shall be immediately notified of this difference.

(b) Upon notification of additional forecasted revenues under (a) of this subsection by the office of financial management, the state actuary shall calculate the contribution rates that may be assessed on the employers of public employees' retirement system, the school employees' retirement system, and the teachers' retirement system members to reduce the unfunded liabilities in the public employees' retirement system and the teachers' retirement system, plans 1. The contribution rates calculated shall be applied to all employers and shall be projected to generate a general fund state cost of fifty percent of the additional forecasted general fund state revenues, in addition to costs attributed to other funds. The state actuary shall notify the office of financial management and the fiscal committees of the legislature of the contribution rates calculated under this subsection.

(c) The office of financial management and the state actuary shall conduct the same activities outlined in (a) and (b) of this subsection for any difference between the June 2006 general fund state revenue forecast and the amount of revenues assumed in the 2005 general fund supplemental state operating budget.

**NEW SECTION. Sec. 947. COMPENSATION--INSURANCE BENEFITS.** The appropriations for state agencies, including institutions of higher education are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed \$663.00 per eligible employee for fiscal year 2006. For fiscal year 2007 the monthly employer funding rate shall not exceed \$744.00 per eligible represented employee or \$618.00 per eligible nonrepresented employee.

(b) 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.

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

(2) 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 medicare, pursuant to RCW 41.05.085. From January 1, 2006, through December 31, 2006, the subsidy shall be \$131.87. Starting January 1, 2007, the subsidy shall be \$149.67 per month.

(3) 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, \$48.42 per month beginning September 1, 2005, and \$55.73 beginning September 1, 2006;

(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, \$48.42 each month beginning September 1, 2005, and \$55.73 beginning September 1, 2006, 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.

**NEW SECTION. Sec. 948. NONREPRESENTED EMPLOYEE COMPENSATION.** The appropriations for nonrepresented employee compensation adjustments are provided solely for:

(1) Salary Cost of Living Adjustments.

(a) Appropriations are provided for a 3.2% salary increase effective September 1, 2005, for all classified employees, except those represented by a collective bargaining unit under the personnel system reform act of 2002, and except the certificated employees of the state schools for the deaf and blind and employees of community and technical colleges covered by the provisions of Initiative Measure No. 732. Also included are employees in the Washington management service, and exempt employees under the jurisdiction of the personnel resources board or the director of personnel, as applicable. However, community and technical colleges shall increase salaries of all classified staff not covered by Initiative Measure No. 732 or by a collective bargaining agreement under the personnel system reform act of 2002 by 3.2% of pay effective July 1, 2005. Community and technical colleges shall provide to exempt professional staff an average salary increase of 3.2% of pay beginning July 1, 2005. The appropriations are also sufficient to fund for the four-year higher education institutions an average salary increase of 3.2% effective July 1, 2005, for faculty, exempt administrative and professional staff, graduate assistants, and other nonclassified staff. Funds provided in this section may not be used for any other purpose by institutions of higher education, including for other pay increases.

The appropriations are also sufficient to fund a 3.2% salary increase effective September 1, 2005, for general government, legislative, and judicial employees exempt from merit system rules

whose maximum salaries are not set by the commission on salaries for elected officials.

(b) Appropriations are provided for a 1.6% salary increase effective September 1, 2006, until June 30, 2007, for all classified employees, except those represented by a collective bargaining unit under the personnel system reform act of 2002, and except the certificated employees of the state schools for the deaf and blind and employees of community and technical colleges covered by the provisions of Initiative Measure No. 732. Also included are employees in the Washington management service, and exempt employees under the jurisdiction of the personnel resources board or the director of personnel, as applicable. However, community and technical colleges shall increase salaries of all classified and instructional staff not covered by Initiative Measure No. 732 or by a collective bargaining agreement under the personnel system reform act of 2002 by 1.6% of pay effective July 1, 2006, until June 30, 2007. Community and technical colleges shall provide to exempt professional staff an average salary increase of 1.6% of pay, beginning July 1, 2006, until June 30, 2007. The appropriations are also sufficient to fund for the four-year higher education institutions an average salary increase of 1.6% effective July 1, 2006, for faculty, exempt administrative and professional staff, graduate assistants, and other nonclassified staff. Funds provided in this section may not be used for any other purpose by institutions of higher education, including for other pay increases. The appropriations are also sufficient to fund a 1.6% salary increase effective September 1, 2005, until June 30, 2007, for general government, legislative, and judicial employees exempt from merit system rules whose maximum salaries are not set by the commission on salaries for elected officials.

(2) Salary Survey.

For state employees, except those represented by a bargaining unit under the personnel system reform act of 2002, funding is provided for implementation of the department of personnel's 2002 salary survey, for job classes more than 25% below market rates.

**NEW SECTION. Sec. 949. CLASSIFICATION REVISIONS.** Funding is provided for partial implementation of classification consolidation and revisions under the personnel system reform act of 2002. Groups 2 and 3 of the department of personnel's initial class consolidation plan are affected.

**NEW SECTION. Sec. 950. COLLECTIVE BARGAINING AGREEMENTS.** Provisions of collective bargaining agreements contained in sections 947 and 949 through 979 of this act are described in general terms. Only major economic terms are included in the descriptions. These descriptions do not contain the complete contents of the agreements.

**NEW SECTION. Sec. 951. COLLECTIVE BARGAINING AGREEMENT--WFSE.** Funding is provided for the collective bargaining agreement reached between the governor and the Washington federation of state employees under the personnel system reform act of 2002. For employees covered under this agreement, funding is provided for a 3.2% salary increase effective July 1, 2005. Funding is also provided for a 1.6% increase effective July 1, 2006, until June 30, 2007, and for implementation of the department of personnel 2002 salary survey for classes more than 25% below market rates.

**NEW SECTION. Sec. 952. COLLECTIVE BARGAINING AGREEMENT--WPEA.** Funding is provided for the collective bargaining agreement reached between the governor and the Washington public employees association under the personnel system reform act of 2002. For employees covered under this agreement, funding is provided for a 3.2% salary increase effective July 1, 2005. Funding is also provided for a 1.6% increase effective July 1, 2006, until June 30, 2007, and for implementation of the department of personnel 2002 salary survey for classes more than 25% below market rates.

**NEW SECTION. Sec. 953. COLLECTIVE BARGAINING AGREEMENT--UFCW.** Funding is provided for the collective bargaining agreement reached between the governor and the united



food and commercial workers under the personnel system reform act of 2002. For employees covered under this agreement, funding is provided for a 3.2% salary increase effective July 1, 2005. Funding is also provided for a 1.6% increase effective July 1, 2006 until June 30, 2007.

**NEW SECTION. Sec. 954. COLLECTIVE BARGAINING AGREEMENT--TEAMSTERS.** Funding is provided for the collective bargaining agreement reached between the governor and the brotherhood of teamsters under the personnel system reform act of 2002. For employees covered under this agreement, funding is provided for a 3.2% salary increase effective July 1, 2005. Funding is also provided for a 2.9% increase effective July 1, 2006, until June 30, 2007, and for implementation of the department of personnel 2002 salary survey for classes more than 25% below market rates.

**NEW SECTION. Sec. 955. COLLECTIVE BARGAINING--COALITION.** Funding is provided for the collective bargaining agreement reached between the governor and the coalition under the personnel system reform act of 2002. For employees covered under this agreement, funding is provided for a 3.2% salary increase effective July 1, 2005. Funding is also provided for a 1.6% increase effective July 1, 2006, until June 30, 2007, and for implementation of the department of personnel 2002 salary survey for classes more than 25% below market rates.

**NEW SECTION. Sec. 956. COLLECTIVE BARGAINING--IFPTE.** Funding is provided for the collective bargaining agreement reached between the governor and the international federation of professional and technical engineers local 17 under the personnel system reform act of 2002. For employees covered under this agreement, funding is provided for a 3.2% salary increase effective July 1, 2005. Funding is also provided for a 1.6% increase effective July 1, 2006, until June 30, 2007, and for implementation of the department of personnel 2002 salary survey for classes more than 25% below market rates.

**NEW SECTION. Sec. 957. COLLECTIVE BARGAINING AGREEMENT--SEIU 1199.** Funding is provided for the collective bargaining agreement reached between the governor and the service employees international union, local 1199 NW under the personnel system reform act of 2002. For employees covered under this agreement, funding is provided for a 3.2% salary increase effective July 1, 2005. Funding is also provided for a 1.6% increase effective July 1, 2006, until June 30, 2007, for implementation of the department of personnel 2002 salary survey for classes more than 25% below market rates, and for adjustments to the salary grid.

**NEW SECTION. Sec. 958. COLLECTIVE BARGAINING AGREEMENT--WFSE HIGHER EDUCATION.** Funding is provided for the collective bargaining agreement reached between the governor and the Washington federation of state employees in higher education under the personnel system reform act of 2002. For employees covered under this agreement, funding is provided for a 3.2% salary increase effective July 1, 2005. Funding is also provided for a 1.6% increase effective July 1, 2006, until June 30, 2007, and for implementation of the department of personnel 2002 salary survey for classes more than 25% below market rates.

**NEW SECTION. Sec. 959. COLLECTIVE BARGAINING AGREEMENT--WPEA HIGHER EDUCATION.** Funding is provided for the collective bargaining agreement reached between the governor and the Washington public employees association in higher education under the personnel system reform act of 2002. For employees covered under this agreement, funding is provided for a 3.2% salary increase effective July 1, 2005. Funding is also provided for a 1.6% increase effective July 1, 2006, until June 30, 2007, and for implementation of the department of personnel 2002 salary survey for classes more than 25% below market rates.

**NEW SECTION. Sec. 960. COLLECTIVE BARGAINING AGREEMENT--WESTERN WASHINGTON UNIVERSITY, WFSE BU A.** Budget amounts reflect the collective bargaining

agreement reached between the Western Washington University and the Washington federation of state employees bargaining unit A under the personnel system reform act of 2002. For employees covered under this agreement, provisions include a 3.2% salary increase effective July 1, 2005, a 1.6% increase effective July 1, 2006, until June 30, 2007, and implementation of the department of personnel 2002 salary survey for classes more than 25% below market rates.

**NEW SECTION. Sec. 961. COLLECTIVE BARGAINING AGREEMENT--WESTERN WASHINGTON UNIVERSITY, WFSE BU B.** Budget amounts reflect the collective bargaining agreement reached between the Western Washington University and the Washington federation of state employees bargaining unit B under the personnel system reform act of 2002. For employees covered under this agreement, provisions include a 3.2% salary increase effective July 1, 2005, a 1.6% increase effective July 1, 2006, until June 30, 2007, and implementation of the department of personnel 2002 salary survey for classes more than 25% below market rates.

**NEW SECTION. Sec. 962. COLLECTIVE BARGAINING AGREEMENT--WPEA/PROFESSIONAL LOCAL 365 UNIT C--WESTERN WASHINGTON UNIVERSITY.** Budget amounts reflect the collective bargaining agreement reached between the Western Washington University and the Washington Public Employees Association bargaining unit C under the personnel system reform act of 2002. For employees covered under this agreement, provisions include a 3.2% salary increase effective July 1, 2005. Provisions also include a 1.6% increase effective July 1, 2006, until June 30, 2007, and for implementation of the department of personnel 2002 salary survey for classes more than 25% below market rates.

**NEW SECTION. Sec. 963. COLLECTIVE BARGAINING AGREEMENT--WESTERN WASHINGTON UNIVERSITY, WFSE BU E.** Budget amounts reflect the collective bargaining agreement reached between the Western Washington University and the Washington federation of state employees bargaining unit E under the personnel system reform act of 2002. For employees covered under this agreement, provisions include a 3.2% salary increase effective July 1, 2005, and a 1.6% increase effective July 1, 2006, until June 30, 2007.

**NEW SECTION. Sec. 964. COLLECTIVE BARGAINING AGREEMENT--WASHINGTON STATE UNIVERSITY, WSU POLICE GUILD.** Budget amounts reflect the collective bargaining agreement reached between Washington State University and the Washington State University police guild bargaining unit under the personnel system reform act of 2002. For employees covered under this agreement, provisions include a 3.2% salary increase effective July 1, 2005, and a 2.9% lump sum payment effective July 1, 2006.

**NEW SECTION. Sec. 965. COLLECTIVE BARGAINING AGREEMENT--WASHINGTON STATE UNIVERSITY, WFSE BU 1 AND 11.** Budget amounts reflect the collective bargaining agreement reached between Washington State University and the Washington federation of state employees bargaining unit 1--research and extension units west of the Cascades, bargaining unit 5--library and bargaining unit 11--intercollegiate college of nursing under the personnel system reform act of 2002. For employees covered under this agreement, provisions include a 3.2% salary increase effective July 1, 2005. Provisions also include a 2% lump sum payment effective July 1, 2006.

**NEW SECTION. Sec. 966. COLLECTIVE BARGAINING AGREEMENT--UNIVERSITY OF WASHINGTON, SEIU 925.** Budget amounts reflect the collective bargaining agreements reached between the University of Washington and the service employees international union university-wide nonsupervisory, university-wide supervisory, research technologist, research technologist supervisor, and medical/laboratory technologist bargaining units under the personnel system reform act of 2002. For employees covered under

this agreement, provisions include a 3.2% salary increase effective July 1, 2005, a 1.6% increase effective July 1, 2006, until June 30, 2007, implementation of a University of Washington salary survey, and adjustment to the salary grid.

**NEW SECTION. Sec. 967. COLLECTIVE BARGAINING AGREEMENT--UNIVERSITY OF WASHINGTON, WFSE.** Budget amounts reflect the collective bargaining agreements reached between the University of Washington and the Washington federation of state employees campus-wide, library, custodial supervisor, Harborview medical center, and Harborview medical center public safety officers bargaining units under the personnel system reform act of 2002. For employees covered under this agreement, provisions include a 3.2% salary increase effective July 1, 2005, a 1.6% increase effective July 1, 2006, until June 30, 2007, and implementation of a University of Washington salary survey.

**NEW SECTION. Sec. 968. COLLECTIVE BARGAINING AGREEMENT--UNIVERSITY OF WASHINGTON, WFSE, SKILLED TRADES.** Budget amounts reflect the collective bargaining agreements reached between the University of Washington and the Washington federation of state employees, skilled trades bargaining unit under the personnel system reform act of 2002. For employees covered under this agreement, provisions include a \$1.00 per hour increase effective July 1, 2005, an increase in shift differential pay, and an adjustment to the grid.

**NEW SECTION. Sec. 969. COLLECTIVE BARGAINING AGREEMENT--UNIVERSITY OF WASHINGTON SEIU LOCAL 1199 NW PROFESSIONAL AND TECHNICAL.** Budget amounts reflect the collective bargaining agreement reached between the University of Washington and the service employee international union Harborview medical center professional and technical bargaining unit under the personnel system reform act of 2002. For employees covered under this agreement, provisions include a 1.5% salary increase effective January 1, 2006, a 1.5% salary increase effective January 1, 2007, an adjustment to the salary grid, and changes in premium pay.

**NEW SECTION. Sec. 970. COLLECTIVE BARGAINING AGREEMENT--UNIVERSITY OF WASHINGTON SEIU LOCAL 1199 NW NURSES.** Budget amounts reflect the collective bargaining agreement reached between the University of Washington and the service employee international union Harborview medical center registered nurse bargaining unit under the personnel system reform act of 2002. For employees covered under this agreement, provisions include a 2.0% salary increase effective July 1, 2005, a 2.0% salary increase effective July 1, 2006, a 2.0% salary increase effective January 1, 2007, an adjustment to the salary grid, and changes in premium pay.

**NEW SECTION. Sec. 971. COLLECTIVE BARGAINING AGREEMENT--UNIVERSITY OF WASHINGTON SEIU LOCAL 1199 NW SOCIAL WORK.** Budget amounts reflect the collective bargaining agreements reached between the University of Washington and the service employee international union Harborview medical center social work and health care specialist bargaining units under the personnel system reform act of 2002. For employees covered under this agreement, provisions include a 2.0% salary increase effective July 1, 2005, a 2.0% salary increase effective July 1, 2006, a 1.0% salary increase effective January 1, 2007, an adjustment to the salary grid, and changes in premium pay.

**NEW SECTION. Sec. 972. COLLECTIVE BARGAINING AGREEMENT--UNIVERSITY OF WASHINGTON POLICE OFFICERS ASSOCIATION.** Budget amounts reflect the collective bargaining agreements reached between the University of Washington and the University of Washington police officers association bargaining unit under the personnel system reform act of 2002. For employees covered under this agreement, provisions include a 3.2% salary increase effective July 1, 2005, a 1.6% increase effective July 1, 2006, and longevity pay increases.

**NEW SECTION. Sec. 973. COLLECTIVE BARGAINING AGREEMENT--UNIVERSITY OF WASHINGTON WFSE UW POLICE MANAGEMENT.** Budget amounts reflect the collective bargaining agreements reached between the University of Washington and the Washington federation of state employees police management bargaining unit under the personnel system reform act of 2002. For employees covered under this agreement, provisions include a 3.2% salary increase effective July 1, 2005, and a 15% supervisory differential effective July 1, 2006.

**NEW SECTION. Sec. 974. COLLECTIVE BARGAINING AGREEMENT--UNIVERSITY OF WASHINGTON WASHINGTON STATE NURSES ASSOCIATION.** Budget amounts reflect the collective bargaining agreement reached between the University of Washington and the Washington state nurses association university medical center registered nurses bargaining unit under the personnel system reform act of 2002. For employees covered under this agreement, provisions include a 2.0% salary increase effective July 1, 2005, a 2.0% salary increase effective July 1, 2006, a 2.0% salary increase effective January 1, 2007, an adjustment to the salary grid, and changes in premium pay.

**NEW SECTION. Sec. 975. COLLECTIVE BARGAINING AGREEMENT--UNIVERSITY OF WASHINGTON INLAND BOATMEN'S UNION.** Budget amounts reflect the collective bargaining agreement reached between the University of Washington and the inland boatmen's union of the Pacific Thompson research vessel crew bargaining unit under the personnel system reform act of 2002. For employees covered under this agreement, provisions include a 3.2% salary increase effective July 1, 2006, and a 1.6% salary increase effective July 1, 2006, until June 30, 2007.

**NEW SECTION. Sec. 976. COLLECTIVE BARGAINING AGREEMENT--WFSE UNIT 2 EASTERN WASHINGTON UNIVERSITY.** Budget amounts reflect the collective bargaining agreement reached between Eastern Washington University and the Washington federation of state employees bargaining unit 2 under the personnel system reform act of 2002. For employees covered under this agreement, provisions include a 3.2% salary increase effective July 1, 2005. Provisions also include a 1.6% salary increase effective July 1, 2006, until June 30, 2007, and for a \$500 lump-sum payment to full-time employees, and pro-rated for part-time employees, effective July 1, 2005.

**NEW SECTION. Sec. 977. COLLECTIVE BARGAINING AGREEMENT--WFSE UNIT 1 EASTERN WASHINGTON UNIVERSITY.** Budget amounts reflect the collective bargaining agreement reached between Eastern Washington University and the Washington federation of state employees bargaining unit 1 under the personnel system reform act of 2002. For employees covered under this agreement, provisions include a 3.2% salary increase effective July 1, 2005. Provisions also include a \$500 lump-sum payment to full-time employees, and pro-rated for part-time employees, effective July 1, 2005, and a lump sum payment of 1.6% of annual salary effective July 1, 2006.

**NEW SECTION. Sec. 978. COLLECTIVE BARGAINING AGREEMENT--WFSE UNIT 2 CENTRAL WASHINGTON UNIVERSITY.** Budget amounts reflect the collective bargaining agreement reached between Central Washington University and the Washington federation of state employees bargaining unit 2 under the personnel system reform act of 2002. For employees covered under this agreement, provisions include a 3.2% salary increase effective July 1, 2005. Provisions also include a 1.6% increase effective July 1, 2006, until June 30, 2007, and for implementation of the department of personnel 2002 salary survey for classes more than 25% below market rates.

**NEW SECTION. Sec. 979. COLLECTIVE BARGAINING AGREEMENT--WFSE UNIT 1 CENTRAL WASHINGTON UNIVERSITY.** Budget amounts reflect the collective bargaining agreement reached between Central Washington University and the Washington federation of state employees bargaining unit 1 under the

personnel system reform act of 2002. For employees covered under this agreement, provisions include a 3.2% salary increase effective July 1, 2005. Provisions also include a 1.6% increase effective July 1, 2006, until June 30, 2007, and for implementation of the department of personnel 2002 salary survey for classes more than 25% below market rates.

**NEW SECTION. Sec. 980.** Currently there is no statutory policy for funding the gain-sharing benefits in the plans 1 and 3 of the public employees' retirement system, the teachers' retirement system and the school employees' retirement system. The legislature acknowledges that the 2003 Actuarial Valuation Report (prepared in December 2004) identified gain-sharing as a material liability of the affected retirement systems, and recognizes the need to develop a plan for addressing this material liability. The legislature hereby delays any decision regarding funding for this benefit during the 2006 fiscal year.

During the 2005 interim, the select committee on pension policy shall study the options available to the legislature for addressing the liability associated with future gain-sharing benefits. These options may include, but shall not be limited to, repealing, delaying, or suspending the gain-sharing provisions in law; making gain-sharing discretionary; or replacing gain-sharing benefits with other benefits such as plan choice, employer defined contributions, retirement eligibility enhancements, and post-retirement adjustments. The select committee on pension policy shall report the findings and recommendations of its study to the legislative fiscal committees by no later December 15, 2005.

**NEW SECTION. Sec. 981.** 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. 982.** Except for sections 922 and 930 of this act, 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.

**NEW SECTION. Sec. 983.** Section 922 (RCW 41.50.110) of this act takes effect July 1, 2006.

**NEW SECTION. Sec. 984.** Section 921 (RCW 41.50.110) of this act expires July 1, 2006.

**NEW SECTION. Sec. 985.** Section 930 (RCW 43.135.045) of this act takes effect June 30, 2005.

Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McIntire; Miloscia and Schual-Berke.

MINORITY recommendation: Do not pass. Signed by Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Armstrong; Bailey; Buri; Clements; Hinkle; McDonald; Pearson; Priest; Talcott and Walsh.

There being no objection, the bills listed on the day's committee reports sheet under the fifth order of business were referred to the committees so designated except for ENGROSSED SUBSTITUTE SENATE BILL NO 6090 which was placed on the Second Reading calendar.

## SECOND READING

**HOUSE BILL NO. 2292, By Representatives Lantz, Cody, Campbell, Kirby, Flannigan, Williams, Linville,**

**Springer, Clibborn, Wood, Fromhold, Morrell, Hunt, Moeller, Green, Kilmer, Conway, O'Brien, Sells, Kenney, Kessler, Chase, Upthegrove, Ormsby, Lovick, McCoy and Santos**

### Addressing health care liability reform.

The bill was read the second time.

Representative Lantz moved that Substitute House Bill No. 2292 be substituted for House Bill No. 2292 and the substitute bill be placed on the second reading calendar. The motion was adopted.

SUBSTITUTE HOUSE BILL NO. 2292 was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Lantz, Flannigan, Cody and Simpson spoke in favor of passage of the bill.

Representatives Priest, Serben, Rodne and DeBolt spoke against the passage of the bill.

## POINT OF ORDER

Representative Ericksen:

## SPEAKER'S RULING

Mr. Speaker:

Representatives Simpson (continued), Green, Moeller, Kirby, Schual-Berke and Campbell spoke in favor of the passage of the bill.

Representatives Armstrong, Ericksen, Clements, Ahern, Bailey, Schindler and Ericksen (again) spoke against the passage of the bill.

## MOTIONS

On motion of Representative Clements, Representative Skinner was excused. On motion of Representative Santos, Representative Morris was excused.

The Speaker stated the question before the House to be the final passage of Substitute House Bill No. 2292.

## ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 2292 and the bill passed the House by the following vote: Yeas - 54, Nays - 42, Absent - 0, Excused - 2.

Voting yea: Representatives Appleton, Blake, Campbell, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Green, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kilmer, Kirby, Lantz, Linville, Lovick, McCoy, McDermott, McIntire, Miloscia, Moeller, Morrell, Murray, O'Brien, Ormsby, Pettigrew, Quall, Roberts, Santos, Sells, Simpson, Sommers, Springer, Sullivan, B., Sullivan, P.,

Takko, Upthegrove, Wallace, Williams, Wood and Mr. Speaker - 54.

Voting nay: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Chandler, Clements, Condotta, Cox, Crouse, Curtis, DeBolt, Dunn, Ericksen, Haler, Hankins, Hinkle, Holmquist, Jarrett, Kretz, Kristiansen, McCune, McDonald, Newhouse, Nixon, Orcutt, Pearson, Priest, Roach, Rodne, Schindler, Schual-Berke, Serben, Shabro, Strow, Sump, Talcott, Tom, Walsh and Woods - 42.

Excused: Representatives Morris and Skinner - 2.

SUBSTITUTE HOUSE BILL NO. 2292, having received the necessary constitutional majority, was declared passed.

#### MESSAGES FROM THE SENATE

April 7, 2005

Mr. Speaker:

The Senate has passed:

HOUSE BILL NO. 1286,  
HOUSE BILL NO. 1407,  
SECOND SUBSTITUTE HOUSE BILL NO. 1542,  
and the same are herewith transmitted.

Thomas Hoemann, Secretary

April 7, 2005

Mr. Speaker:

The President has signed:

SUBSTITUTE SENATE BILL NO. 5092,  
ENGROSSED SUBSTITUTE SENATE BILL NO. 5173,  
SUBSTITUTE SENATE BILL NO. 5176,  
SENATE BILL NO. 5563,  
and the same are herewith transmitted.

Thomas Hoemann, Secretary

April 7, 2005

Mr. Speaker:

The President has signed:

SUBSTITUTE SENATE BILL NO. 5065,  
ENGROSSED SENATE BILL NO. 5087,  
SUBSTITUTE SENATE BILL NO. 5471,  
ENGROSSED SUBSTITUTE SENATE BILL NO. 5506,  
SUBSTITUTE SENATE BILL NO. 5584,  
SUBSTITUTE SENATE BILL NO. 5969,  
and the same are herewith transmitted.

Thomas Hoemann, Secretary

April 7, 2005

Mr. Speaker:

The President has signed:

SUBSTITUTE SENATE BILL NO. 5146,  
SUBSTITUTE SENATE BILL NO. 5150,  
SECOND SUBSTITUTE SENATE BILL NO. 5154,  
SENATE BILL NO. 5181,  
ENGROSSED SENATE BILL NO. 5194,  
SUBSTITUTE SENATE BILL NO. 5207,  
SUBSTITUTE SENATE BILL NO. 5289,  
SUBSTITUTE SENATE BILL NO. 5317,  
ENGROSSED SENATE BILL NO. 5332,  
SENATE BILL NO. 5354,  
SENATE BILL NO. 5453,  
and the same are herewith transmitted.

Thomas Hoemann, Secretary

April 7, 2005

Mr. Speaker:

The Senate has passed SENATE BILL NO. 5247, and the same is herewith transmitted.

Thomas Hoemann, Secretary

April 7, 2005

Mr. Speaker:

The President has signed:

SUBSTITUTE SENATE BILL NO. 5479,  
SUBSTITUTE SENATE BILL NO. 5497,  
SUBSTITUTE SENATE BILL NO. 5676,  
SENATE BILL NO. 5701,  
SENATE BILL NO. 5713,  
ENGROSSED SUBSTITUTE SENATE BILL NO. 5736,  
SUBSTITUTE SENATE BILL NO. 5765,  
SENATE BILL NO. 5809,  
SENATE BILL NO. 5857,  
and the same are herewith transmitted.

Thomas Hoemann, Secretary

April 7, 2005

Mr. Speaker:

The President has signed:

SUBSTITUTE SENATE BILL NO. 5775,  
SUBSTITUTE SENATE BILL NO. 5862,  
ENGROSSED SENATE BILL NO. 5966,  
and the same are herewith transmitted.

Thomas Hoemann, Secretary

April 7, 2005

Mr. Speaker:

The Senate has passed:

HOUSE BILL NO. 1356,  
HOUSE BILL NO. 1409,  
and the same are herewith transmitted.

Thomas Hoemann, Secretary

April 7, 2005

Mr. Speaker:

The Senate has passed SENATE BILL NO. 5948, and the same is herewith transmitted.

Thomas Hoemann, Secretary

April 7, 2005

Mr. Speaker:

The Senate has passed:

HOUSE BILL NO. 1323,  
SUBSTITUTE HOUSE BILL NO. 1806,  
and the same are herewith transmitted.

Thomas Hoemann, Secretary

April 7, 2005

Mr. Speaker:

The Senate has passed HOUSE BILL NO. 1138, and the same is herewith transmitted.

Thomas Hoemann, Secretary

The Speaker called upon Representative Lovick to presiding.

## SECOND READING

### SENATE BILL NO. 5006, By Senator Jacobsen

#### Concerning the sale of aquaculture products produced on leased state-owned aquatic land.

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Upthegrove and Buck spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 5006.

## ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 5006 and the bill passed the House by the following vote: Yeas - 96, Nays - 0, Absent - 0, Excused - 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods, and Mr. Speaker - 96.

Excused: Representatives Morris, and Skinner - 2.

SENATE BILL NO. 5006, having received the necessary constitutional majority, was declared passed.

### SENATE BILL NO. 5180, By Senators Kastama, Roach, Sheldon and Shin

#### Authorizing the economic development finance authority to continue issuing bonds.

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Ormsby and Dunn spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 5180.

## ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 5180 and the bill passed the House by the following vote: Yeas - 96, Nays - 0, Absent - 0, Excused - 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods, and Mr. Speaker - 96.

Excused: Representatives Morris, and Skinner - 2.

SENATE BILL NO. 5180, having received the necessary constitutional majority, was declared passed.

### SUBSTITUTE SENATE BILL NO. 5182, By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Franklin and Sheldon)

#### Requiring disclosures for single burial use of multiple interment space.

The bill was read the second time.

On motion of Representative Conway, the committee amendment by the Committee on Commerce & Labor was adopted. (For committee amendment, see Journal, 82<sup>nd</sup> Day, April 1, 2005.)

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Conway and Condotta spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 5182, as amended by the House.

## ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 5182, as amended by the House, and the bill passed the House by the following vote: Yeas - 96, Nays - 0, Absent - 0, Excused - 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson,

Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods, and Mr. Speaker - 96.

Excused: Representatives Morris, and Skinner - 2.

SUBSTITUTE SENATE BILL NO. 5182, as amended by the House, having received the necessary constitutional majority, was declared passed.

**SENATE BILL NO. 5267, By Senators Haugen, Esser, Rasmussen, Delvin and McAuliffe**

**Clarifying the ability of Washington state patrol officers to engage in private law enforcement off-duty employment in plainclothes for private benefit.**

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives O'Brien and Pearson spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 5267.

**ROLL CALL**

The Clerk called the roll on the final passage of Senate Bill No. 5267 and the bill passed the House by the following vote: Yeas - 96, Nays - 0, Absent - 0, Excused - 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 96.

Excused: Representatives Morris and Skinner - 2.

SENATE BILL NO. 5267, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SUBSTITUTE SENATE BILL NO. 5922, By Senate Committee on Human Services &**

**Corrections (originally sponsored by Senators Stevens, Hargrove, Roach, Schmidt, Zarelli, Carrell and Finkbeiner)**

**Changing procedures for investigations of child abuse or neglect.**

The bill was read the second time.

There being no objection, the committee amendment was not adopted. (For committee amendment, see Journal, 85<sup>th</sup> Day, April 4, 2005.)

Representative Dickerson moved the adoption of amendment (416):

Strike everything after the enacting clause and insert the following:

" **Sec. 1.** RCW 26.44.100 and 1998 c 314 s 8 are each amended to read as follows:

(1) The legislature finds parents and children often are not aware of their due process rights when agencies are investigating allegations of child abuse and neglect. The legislature reaffirms that all citizens, including parents, shall be afforded due process, that protection of children remains the priority of the legislature, and that this protection includes protecting the family unit from unnecessary disruption. To facilitate this goal, the legislature wishes to ensure that parents and children be advised in writing and orally, if feasible, of their basic rights and other specific information as set forth in this chapter, provided that nothing contained in this chapter shall cause any delay in protective custody action.

(2) The department shall notify the alleged perpetrator of (the allegations of child abuse ~~(and)~~ or neglect ~~((at the earliest possible point in the investigation that will not jeopardize the safety and protection of the child or the investigation process))~~ at the initial point of contact with the alleged perpetrator, in a manner consistent with the laws maintaining the confidentiality of the persons making the complaints or allegations. Investigations of child abuse and neglect should be conducted so that relevant evidence of offenses is not concealed or destroyed, child victims are not subjected to undue influence, and actions are not taken that would jeopardize the safety or protection of the child.

Whenever the department completes an investigation of a child abuse or neglect report under chapter 26.44 RCW, the department shall notify the alleged perpetrator of the report and the department's investigative findings. The notice shall also advise the alleged perpetrator that:

(a) A written response to the report may be provided to the department and that such response will be filed in the record following receipt by the department;

(b) Information in the department's record may be considered in subsequent investigations or proceedings related to child protection or child custody;

(c) Founded reports of child abuse and neglect may be considered in determining whether the person is disqualified from being licensed to provide child care, employed by a licensed child care agency, or authorized by the department to care for children; and

(d) An alleged perpetrator named in a founded report of child abuse or neglect has the right to seek review of the finding as provided in this chapter.

(3) The notification required by this section shall be made by certified mail, return receipt requested, to the person's last known address.

(4) The duty of notification created by this section is subject to the ability of the department to ascertain the location of the person to be notified. The department shall exercise reasonable, good-faith efforts to ascertain the location of persons entitled to notification under this section.

(5) The department shall provide training to all persons who conduct investigations under this section that shall include, but is not

limited to, training regarding the legal duties of the department from the initial time of contact during investigation through treatment in order to protect children and families.

**NEW SECTION. Sec. 2.** The legislature finds that whenever possible, children should remain in the home of their parents. It is only when the safety of the child is a concern that the child should be removed from the home.

The legislature finds that the safety of a child is put in jeopardy when a child is subject to chronic neglect. The legislature recognizes that chronic neglect may be more dangerous to a child than physical or sexual abuse, and must be treated as such by those charged with the protection of children in this state.

It is the intent of the legislature that the department of social and health services be permitted to intervene in cases of chronic neglect where the well-being of the child is at risk. One incident of neglect may not rise to the level requiring state intervention; however, a pattern of neglect has been shown to cause damage to the health and well-being of the child subject to the neglect.

It is the intent of the legislature that when chronic neglect has been found to exist in a family, the legal system reinforce the need for the parent to engage in services that will decrease the likelihood of future neglect. However, if the parents fail to comply with the necessary services, the state must intervene to protect the children who are at risk.

**Sec. 3.** RCW 13.34.138 and 2003 c 227 s 5 are each amended to read as follows:

(1) Except for children whose cases are reviewed by a citizen review board under chapter 13.70 RCW, the status of all children found to be dependent shall be reviewed by the court at least every six months from the beginning date of the placement episode or the date dependency is established, whichever is first, at a hearing in which it shall be determined whether court supervision should continue. The initial review hearing shall be an in-court review and shall be set six months from the beginning date of the placement episode or no more than ninety days from the entry of the disposition order, whichever comes first. The initial review hearing may be a permanency planning hearing when necessary to meet the time frames set forth in RCW 13.34.145(3) or 13.34.134. The review shall include findings regarding the agency and parental completion of disposition plan requirements, and if necessary, revised permanency time limits. This review shall consider both the agency's and parent's efforts that demonstrate consistent measurable progress over time in meeting the disposition plan requirements. The requirements for the initial review hearing, including the in-court requirement, shall be accomplished within existing resources. The supervising agency shall provide a foster parent, preadoptive parent, or relative with notice of, and their right to an opportunity to be heard in, a review hearing pertaining to the child, but only if that person is currently providing care to that child at the time of the hearing. This section shall not be construed to grant party status to any person who has been provided an opportunity to be heard.

(a) A child shall not be returned home at the review hearing unless the court finds that a reason for removal as set forth in RCW 13.34.130 no longer exists. The parents, guardian, or legal custodian shall report to the court the efforts they have made to correct the conditions which led to removal. If a child is returned, casework supervision shall continue for a period of six months, at which time there shall be a hearing on the need for continued intervention.

(b) If the child is not returned home, the court shall establish in writing:

(i) Whether reasonable services have been provided to or offered to the parties to facilitate reunion, specifying the services provided or offered;

(ii) Whether the child has been placed in the least-restrictive setting appropriate to the child's needs, including whether consideration and preference has been given to placement with the child's relatives;

(iii) Whether there is a continuing need for placement and whether the placement is appropriate;

(iv) Whether there has been compliance with the case plan by the child, the child's parents, and the agency supervising the placement;

(v) Whether progress has been made toward correcting the problems that necessitated the child's placement in out-of-home care;

(vi) Whether the parents have visited the child and any reasons why visitation has not occurred or has been infrequent;

(vii) Whether additional services, including housing assistance, are needed to facilitate the return of the child to the child's parents; if so, the court shall order that reasonable services be offered specifying such services; and

(viii) The projected date by which the child will be returned home or other permanent plan of care will be implemented.

(c) The court at the review hearing may order that a petition seeking termination of the parent and child relationship be filed.

(2)(a) In any case in which the court orders that a dependent child may be returned to or remain in the child's home, the in-home placement shall be contingent upon the following:

(i) The cooperation by the parents with the agency case plan;

(ii) The compliance of the parents with court orders related to the care and supervision of the child; and

(iii) The continued participation of the parents in remedial services.

(b) The following may be grounds for removal of the child from the home, subject to review by the court:

(i) Noncompliance by the parents with the case plan or court order;

(ii) The parent's inability, unwillingness, or failure to participate in services or treatment for themselves or the child; or

(iii) The failure of the parents to successfully and substantially complete services or treatment for themselves or the child.

(3) The court's ability to order housing assistance under RCW 13.34.130 and this section is: (a) Limited to cases in which homelessness or the lack of adequate and safe housing is the primary reason for an out-of-home placement; and (b) subject to the availability of funds appropriated for this specific purpose.

~~((3))~~ (4) The court shall consider the child's relationship with siblings in accordance with RCW 13.34.130(3).

**Sec. 4.** RCW 26.44.015 and 1999 c 176 s 28 are each amended to read as follows:

(1) This chapter shall not be construed to authorize interference with child-raising practices, including reasonable parental discipline, which are not injurious to the child's health, welfare, ~~(and)~~ or safety.

(2) Nothing in this chapter may be used to prohibit the reasonable use of corporal punishment as a means of discipline.

(3) No parent or guardian may be deemed abusive or neglectful solely by reason of the parent's or child's blindness, deafness, developmental disability, or other handicap.

**Sec. 5.** RCW 26.44.020 and 2000 c 162 s 19 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Court" means the superior court of the state of Washington, juvenile department.

(2) "Law enforcement agency" means the police department, the prosecuting attorney, the state patrol, the director of public safety, or the office of the sheriff.

(3) "Practitioner of the healing arts" or "practitioner" means a person licensed by this state to practice podiatric medicine and surgery, optometry, chiropractic, nursing, dentistry, osteopathic medicine and surgery, or medicine and surgery or to provide other health services. The term "practitioner" includes a duly accredited Christian Science practitioner: PROVIDED, HOWEVER, That a person who is being furnished Christian Science treatment by a duly accredited Christian Science practitioner will not be considered, for that reason alone, a neglected person for the purposes of this chapter.

(4) "Institution" means a private or public hospital or any other facility providing medical diagnosis, treatment or care.

(5) "Department" means the state department of social and health services.

(6) "Child" or "children" means any person under the age of eighteen years of age.

(7) "Professional school personnel" include, but are not limited to, teachers, counselors, administrators, child care facility personnel, and school nurses.

(8) "Social service counselor" means anyone engaged in a professional capacity during the regular course of employment in encouraging or promoting the health, welfare, support or education of children, or providing social services to adults or families, including mental health, drug and alcohol treatment, and domestic violence programs, whether in an individual capacity, or as an employee or agent of any public or private organization or institution.

(9) "Psychologist" means any person licensed to practice psychology under chapter 18.83 RCW, whether acting in an individual capacity or as an employee or agent of any public or private organization or institution.

(10) "Pharmacist" means any registered pharmacist under chapter 18.64 RCW, whether acting in an individual capacity or as an employee or agent of any public or private organization or institution.

(11) "Clergy" means any regularly licensed or ordained minister, priest, or rabbi of any church or religious denomination, whether acting in an individual capacity or as an employee or agent of any public or private organization or institution.

(12) "Abuse or neglect" means ~~((the injury,))~~ sexual abuse, sexual exploitation, ~~((negligent treatment, or maltreatment))~~ or nonaccidental injury of a child by any person under circumstances which ~~((indicate that))~~ cause harm to the child's health, welfare, ~~((and))~~ or safety ~~((is harmed))~~, excluding conduct permitted under RCW 9A.16.100; or the negligent treatment or maltreatment of a child by a person responsible for or providing care to the child under circumstances which cause harm to or present a substantial threat of harm to the child's health, welfare, or safety. An abused child is a child who has been subjected to child abuse or neglect as defined in this section.

(13) "Child protective services section" means the child protective services section of the department.

(14) "Sexual exploitation" includes: (a) Allowing, permitting, or encouraging a child to engage in prostitution by any person; or (b) allowing, permitting, encouraging, or engaging in the obscene or pornographic photographing, filming, or depicting of a child by any person.

(15) "Negligent treatment or maltreatment" means an act or ~~((omission))~~ a failure to act, or the cumulative effects of a pattern of conduct, behavior, or inaction, that evidences a serious disregard of consequences of such magnitude as to ~~((constitute a clear and present danger))~~ cause harm to or present a substantial threat of harm to ~~((the))~~ a child's ~~((health, welfare, and safety. The fact that siblings share a bedroom is not, in and of itself, negligent treatment or maltreatment))~~ physical, mental, or cognitive condition or development. Poverty, homelessness, or exposure to domestic violence as defined in RCW 26.50.010 that is perpetrated against someone other than the child do not constitute negligent treatment or maltreatment in and of themselves.

(16) "Child protective services" means those services provided by the department designed to protect children from child abuse and neglect and safeguard such children from future abuse and neglect, and conduct investigations of child abuse and neglect reports. Investigations may be conducted regardless of the location of the alleged abuse or neglect. Child protective services includes referral to services to ameliorate conditions that endanger the welfare of children, the coordination of necessary programs and services relevant to the prevention, intervention, and treatment of child abuse and neglect, and services to children to ensure that each child has a permanent home. In determining whether protective services should be provided, the department shall not decline to provide such services solely because of the child's unwillingness or developmental inability to describe the nature and severity of the abuse or neglect.

(17) "Malice" or "maliciously" means an evil intent, wish, or design to vex, annoy, or injure another person. Such malice may be inferred from an act done in willful disregard of the rights of another, or an act wrongfully done without just cause or excuse, or an act or omission of duty betraying a willful disregard of social duty.

(18) "Sexually aggressive youth" means a child who is defined in RCW 74.13.075(1)(b) as being a sexually aggressive youth.

(19) "Unfounded" means available information indicates that, more likely than not, child abuse or neglect did not occur. No unfounded allegation of child abuse or neglect may be disclosed to a child-placing agency, private adoption agency, or any other provider licensed under chapter 74.15 RCW.

**NEW SECTION. Sec. 6.** A new section is added to chapter 26.44 RCW to read as follows:

(1) If the department, upon investigation of a report that a child has been abused or neglected as defined in this chapter, determines that the child has been subject to or is at risk of negligent treatment or maltreatment, the department may offer services to the child's parents, guardians, or legal custodians (a) to ameliorate the conditions that endangered the welfare of the child or that place the child at risk of future abuse or neglect, or (b) to address or treat the effects of mistreatment or neglect upon the child. If the child's parents, guardians, or legal custodians are available and willing to participate on a voluntary basis in in-home services, and the department determines that in-home services on a voluntary basis are appropriate for the family, the department may offer such services.

(2) In cases where the department has offered appropriate and reasonable services under subsection (1) of this section, and the parents, guardians, or legal custodians refuse to accept or fail to obtain appropriate treatment or services, or are unable or unwilling to participate in or successfully and substantially complete the treatment or services identified by the department, the department may initiate a dependency proceeding under chapter 13.34 RCW on the basis that the negligent treatment or maltreatment by the parent, guardian, or legal custodian constitutes neglect.

(3) Nothing in this section precludes the department from filing a dependency petition as provided in chapter 13.34 RCW if it determines that such action is necessary to protect the child from abuse or neglect or safeguard the child from future abuse or neglect.

(4) Nothing in this section shall be construed to create in any person an entitlement to services or financial assistance in paying for services or to create judicial authority to order the provision of services to any person or family if the services are unavailable or unsuitable or if the child or family is not eligible for such services.

**Sec. 7.** RCW 74.13.031 and 2004 c 183 s 3 are each amended to read as follows:

The department shall have the duty to provide child welfare services and shall:

(1) Develop, administer, supervise, and monitor a coordinated and comprehensive plan that establishes, aids, and strengthens services for the protection and care of runaway, dependent, or neglected children.

(2) Within available resources, recruit an adequate number of prospective adoptive and foster homes, both regular and specialized, i.e. homes for children of ethnic minority, including Indian homes for Indian children, sibling groups, handicapped and emotionally disturbed, teens, pregnant and parenting teens, and annually report to the governor and the legislature concerning the department's success in: (a) Meeting the need for adoptive and foster home placements; (b) reducing the foster parent turnover rate; (c) completing home studies for legally free children; and (d) implementing and operating the passport program required by RCW 74.13.285. The report shall include a section entitled "Foster Home Turn-Over, Causes and Recommendations."

(3) Investigate ~~((complaints of any recent act or failure to act))~~ reports of child abuse or neglect as defined in chapter 26.44 RCW on the part of a parent, guardian, or legal custodian of the child, member of the household of such persons, agency as defined in chapter 74.15 RCW providing care to the child, or other caretaker ~~((that results in death, serious physical or emotional harm, or sexual abuse or exploitation, or that presents an imminent risk of serious harm))~~ of the child who is serving in place of the parent, and on the basis of the findings of such investigation, offer child welfare services in relation to the problem to such ~~((parents, legal custodians, or))~~ persons ~~((serving in loco parentis))~~, and/or bring the situation to the attention of an appropriate court, or another community agency: PROVIDED,



That an investigation is not required of nonaccidental injuries which are clearly not the result of a lack of care or supervision by the child's parents, guardians, legal custodians, or persons serving in (~~the~~ parentis) place of a parent. If the investigation reveals that a crime against a child may have been committed, the department shall notify the appropriate law enforcement agency.

(4) Offer, on a voluntary basis, family reconciliation services to families who are in conflict.

(5) Monitor out-of-home placements, on a timely and routine basis, to assure the safety, well-being, and quality of care being provided is within the scope of the intent of the legislature as defined in RCW 74.13.010 and 74.15.010, and annually submit a report measuring the extent to which the department achieved the specified goals to the governor and the legislature.

(6) Have authority to accept custody of children from parents and to accept custody of children from juvenile courts, where authorized to do so under law, to provide child welfare services including placement for adoption, and to provide for the physical care of such children and make payment of maintenance costs if needed. Except where required by Public Law 95-608 (25 U.S.C. Sec. 1915), no private adoption agency which receives children for adoption from the department shall discriminate on the basis of race, creed, or color when considering applications in their placement for adoption.

(7) Have authority to provide temporary shelter to children who have run away from home and who are admitted to crisis residential centers.

(8) Have authority to purchase care for children; and shall follow in general the policy of using properly approved private agency services for the actual care and supervision of such children insofar as they are available, paying for care of such children as are accepted by the department as eligible for support at reasonable rates established by the department.

(9) Establish a children's services advisory committee which shall assist the secretary in the development of a partnership plan for utilizing resources of the public and private sectors, and advise on all matters pertaining to child welfare, licensing of child care agencies, adoption, and services related thereto. At least one member shall represent the adoption community.

(10) Have authority to provide continued foster care or group care for individuals from eighteen through twenty years of age to enable them to complete their high school or vocational school program.

(11) Refer cases to the division of child support whenever state or federal funds are expended for the care and maintenance of a child, including a child with a developmental disability who is placed as a result of an action under chapter 13.34 RCW, unless the department finds that there is good cause not to pursue collection of child support against the parent or parents of the child.

(12) Have authority within funds appropriated for foster care services to purchase care for Indian children who are in the custody of a federally recognized Indian tribe or tribally licensed child-placing agency pursuant to parental consent, tribal court order, or state juvenile court order; and the purchase of such care shall be subject to the same eligibility standards and rates of support applicable to other children for whom the department purchases care.

Notwithstanding any other provision of RCW 13.32A.170 through 13.32A.200 and 74.13.032 through 74.13.036, or of this section all services to be provided by the department of social and health services under subsections (4), (6), and (7) of this section, subject to the limitations of these subsections, may be provided by any program offering such services funded pursuant to Titles II and III of the federal juvenile justice and delinquency prevention act of 1974.

(13) Within amounts appropriated for this specific purpose, provide preventive services to families with children that prevent or shorten the duration of an out-of-home placement.

(14) Have authority to provide independent living services to youths, including individuals eighteen through twenty years of age, who are or have been in foster care.

**NEW SECTION. Sec. 8.** The legislature recognizes that the fiscal and workload impact of this act may not be fully determined until after it is implemented and that such impact may further be

affected by the funding or availability of community-based prevention and remedial services. For that reason, the department of social and health services shall report on the implementation of this act to the appropriate legislative committees and the governor by December 1, 2006. The report shall include information regarding any change over previous years in the number and type of child abuse and neglect referrals received and investigations conducted, any change in in-home and out-of-home dependency placements and/or filings, any increased service costs, barriers to implementation, and an assessment of the fiscal and workload impact on the department. Such information shall be reviewed by the legislature for possible amendment of this act or additional allocation of resources to the department for implementation purposes.

**NEW SECTION. Sec. 9.** This act takes effect January 1, 2006.

**NEW SECTION. Sec. 10.** This act may be known and cited as the Justice and Raiden Act."

Correct the title.

Representatives Dickerson and Hickle spoke in favor of the adoption of the amendment.

The amendment was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Kagi, Hinkle and Dickerson spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5922, as amended by the House.

#### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5922, as amended by the House, and the bill passed the House by the following vote: Yeas - 96, Nays - 0, Absent - 0, Excused - 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 96.

Excused: Representatives Morris and Skinner - 2.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5922, as amended by the House, having received the necessary constitutional majority, was declared passed.

**SENATE BILL NO. 5175, By Senators Shin, Schmidt, Kohl-Welles, Rasmussen, Rockefeller, Eide, Kline, Roach, Berkey, Doumit and McAuliffe**

**Declaring that international companies investing in Washington are eligible for tax incentives.**

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

With the consent of the House, amendment (433) was withdrawn.

Representatives Pettigrew and Kristiansen spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 5175.

**ROLL CALL**

The Clerk called the roll on the final passage of Senate Bill No. 5175 and the bill passed the House by the following vote: Yeas - 94, Nays - 2, Absent - 0, Excused - 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Morrell, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 94.

Voting nay: Representatives Hasegawa and Moeller - 2.  
Excused: Representatives Morris and Skinner - 2.

SENATE BILL NO. 5175, having received the necessary constitutional majority, was declared passed.

**SENATE BILL NO. 5869, By Senators Swecker, Jacobsen, Oke, Spanel, Hargrove, Morton, Doumit, Stevens and Rasmussen**

**Concerning planting of certain trout.**

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Upthegrove, Armstrong and Buck spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 5869.

**ROLL CALL**

The Clerk called the roll on the final passage of Senate Bill No. 5869 and the bill passed the House by the following vote: Yeas - 95, Nays - 1, Absent - 0, Excused - 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 95.

Voting nay: Representative Dickerson - 1.

Excused: Representatives Morris and Skinner - 2.

SENATE BILL NO. 5869, having received the necessary constitutional majority, was declared passed.

**SENATE BILL NO. 5321, By Senators Haugen, Swecker, Jacobsen and Esser**

**Regulating disclosure of addresses of vehicle owners.**

The bill was read the second time.

On motion of Representative Wallace, the committee amendment by the Committee on Transportation was before the House for purpose of amendments. (For committee amendment, see Journal, 82<sup>nd</sup> Day, April 1, 2005.)

Representative Nixon moved the adoption of amendment (407) to the committee amendment:

On page 2, beginning on line 9 of the amendment, strike everything through "repossessions." on line 17, and insert "Where both a mailing address and residence address are recorded on the vehicle record and are different, only the mailing address will be disclosed. Both addresses will be disclosed in response to requests for disclosure from courts, law enforcement agencies, or government entities with enforcement, investigative, or taxing authority and only for use in the normal course of conducting their business."

On page 3, beginning on line 14 of the amendment, strike everything through "repossessions." on line 22, and insert "(2) Where both a mailing address and residence address are recorded on the vehicle record and are different, only the mailing address will be disclosed. Both addresses will be disclosed in response to requests for disclosure from courts, law enforcement agencies, or government entities with enforcement, investigative, or taxing authority and only for use in the normal course of conducting their business."

Representative Nixon and Wallace spoke in favor of the adoption of the amendment to the committee amendment.

The amendment to the committee amendment was adopted.

The committee amendment as amended was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representative Wallace spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 5321, as amended by the House.

### ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 5321, as amended by the House, and the bill passed the House by the following vote: Yeas - 93, Nays - 3, Absent - 0, Excused - 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 93.

Voting nay: Representatives Hasegawa, Kristiansen and Pearson - 3.

Excused: Representatives Morris and Skinner - 2.

SENATE BILL NO. 5321, as amended by the House, having received the necessary constitutional majority, was declared passed.

**SECOND SUBSTITUTE SENATE BILL NO. 5202, By Senate Committee on Ways & Means (originally sponsored by Senators Parlette, Hewitt, Zarelli, Brandland, Schoesler, Delvin, Mulliken, Johnson, Rasmussen, Benton, Roach, Oke, Benson and Stevens)**

**Requiring a study of public employee health plans and health savings account options.**

The bill was read the second time.

Representative Condotta moved the adoption of the following amendment (431):

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 41.05.006 and 1988 c 107 s 2 are each amended to read as follows:

(1) The legislature recognizes that (a) the state is a major purchaser of health care services, (b) the increasing costs of such health care services are posing and will continue to pose a great financial burden on the state, (c) it is the state's policy, consistent with the best interests of the state, to provide comprehensive health care as an employer, to state employees and officials and their dependents and to those who are dependent on the state for necessary medical care, and (d) it is imperative that the state begin to develop

effective and efficient health care delivery systems and strategies for procuring health care services in order for the state to continue to purchase the most comprehensive health care possible.

(2) It is therefore the purpose of this chapter to establish the Washington state health care authority whose purpose shall be to (a) develop health care benefit programs (that provide access to at least one comprehensive benefit plan funded to the fullest extent possible by the employer, ((that provide comprehensive health care)) and a health savings account/high deductible health plan option as defined in section 1201 of the medicare prescription drug improvement and modernization act of 2003, as amended, for eligible state employees, officials, and their dependents, and (b) study all state-purchased health care, alternative health care delivery systems, and strategies for the procurement of health care services and make recommendations aimed at minimizing the financial burden which health care poses on the state, its employees, and its charges, while at the same time allowing the state to provide the most comprehensive health care options possible.

**Sec. 2.** RCW 41.05.065 and 2003 c 158 s 2 are each amended to read as follows:

(1) The board shall study all matters connected with the provision of health care coverage, life insurance, liability insurance, accidental death and dismemberment insurance, and disability income insurance or any of, or a combination of, the enumerated types of insurance for employees and their dependents on the best basis possible with relation both to the welfare of the employees and to the state. However, liability insurance shall not be made available to dependents.

(2) The board shall develop employee benefit plans that include comprehensive health care benefits for all employees. In developing these plans, the board shall consider the following elements:

(a) Methods of maximizing cost containment while ensuring access to quality health care;

(b) Development of provider arrangements that encourage cost containment and ensure access to quality care, including but not limited to prepaid delivery systems and prospective payment methods;

(c) Wellness incentives that focus on proven strategies, such as smoking cessation, injury and accident prevention, reduction of alcohol misuse, appropriate weight reduction, exercise, automobile and motorcycle safety, blood cholesterol reduction, and nutrition education;

(d) Utilization review procedures including, but not limited to a cost-efficient method for prior authorization of services, hospital inpatient length of stay review, requirements for use of outpatient surgeries and second opinions for surgeries, review of invoices or claims submitted by service providers, and performance audit of providers;

(e) Effective coordination of benefits;

(f) Minimum standards for insuring entities; and

(g) Minimum scope and content of public employee benefit plans to be offered to enrollees participating in the employee health care benefits, employee eligibility criteria related to the number of hours worked and the benefits provided to employees shall be substantially equivalent to the state employees' health benefits plan and eligibility criteria in effect on January 1, 1993. Nothing in this subsection (2)(g) shall prohibit changes or increases in employee point-of-service payments or employee premium payments for benefits or the administration of a high deductible health plan in conjunction with a health savings account.

(3) The board shall design benefits and determine the terms and conditions of employee participation and coverage, including establishment of eligibility criteria. The same terms and conditions of participation and coverage, including eligibility criteria, shall apply to state employees and to school district employees and educational service district employees.

(4) The board may authorize premium contributions for an employee and the employee's dependents in a manner that encourages the use of cost-efficient managed health care systems. The board shall require participating school district and educational service

district employees to pay at least the same employee premiums by plan and family size as state employees pay.

(5) The board shall develop a health savings account option for employees that conforms to section 223, Part VII of subchapter B of chapter 1 of the internal revenue code of 1986. The board shall comply with all applicable federal standards related to the establishment of health savings accounts.

(6) Notwithstanding any other provision of this chapter, the board shall develop a high deductible health plan to be offered in conjunction with a health savings account developed under subsection (5) of this section.

(7) Employees shall choose participation in one of the health care benefit plans developed by the board and may be permitted to waive coverage under terms and conditions established by the board.

~~((7))~~ (8) The board shall review plans proposed by insuring entities that desire to offer property insurance and/or accident and casualty insurance to state employees through payroll deduction. The board may approve any such plan for payroll deduction by insuring entities holding a valid certificate of authority in the state of Washington and which the board determines to be in the best interests of employees and the state. The board shall promulgate rules setting forth criteria by which it shall evaluate the plans.

~~((7))~~ (9) Before January 1, 1998, the public employees' benefits board shall make available one or more fully insured long-term care insurance plans that comply with the requirements of chapter 48.84 RCW. Such programs shall be made available to eligible employees, retired employees, and retired school employees as well as eligible dependents which, for the purpose of this section, includes the parents of the employee or retiree and the parents of the spouse of the employee or retiree. Employees of local governments and employees of political subdivisions not otherwise enrolled in the public employees' benefits board sponsored medical programs may enroll under terms and conditions established by the administrator, if it does not jeopardize the financial viability of the public employees' benefits board's long-term care offering.

(a) Participation of eligible employees or retired employees and retired school employees in any long-term care insurance plan made available by the public employees' benefits board is voluntary and shall not be subject to binding arbitration under chapter 41.56 RCW. Participation is subject to reasonable underwriting guidelines and eligibility rules established by the public employees' benefits board and the health care authority.

(b) The employee, retired employee, and retired school employee are solely responsible for the payment of the premium rates developed by the health care authority. The health care authority is authorized to charge a reasonable administrative fee in addition to the premium charged by the long-term care insurer, which shall include the health care authority's cost of administration, marketing, and consumer education materials prepared by the health care authority and the office of the insurance commissioner.

(c) To the extent administratively possible, the state shall establish an automatic payroll or pension deduction system for the payment of the long-term care insurance premiums.

(d) The public employees' benefits board and the health care authority shall establish a technical advisory committee to provide advice in the development of the benefit design and establishment of underwriting guidelines and eligibility rules. The committee shall also advise the board and authority on effective and cost-effective ways to market and distribute the long-term care product. The technical advisory committee shall be comprised, at a minimum, of representatives of the office of the insurance commissioner, providers of long-term care services, licensed insurance agents with expertise in long-term care insurance, employees, retired employees, retired school employees, and other interested parties determined to be appropriate by the board.

(e) The health care authority shall offer employees, retired employees, and retired school employees the option of purchasing long-term care insurance through licensed agents or brokers appointed by the long-term care insurer. The authority, in consultation with the public employees' benefits board, shall establish marketing procedures and may consider all premium components as a part of the contract negotiations with the long-term care insurer.

(f) In developing the long-term care insurance benefit designs, the public employees' benefits board shall include an alternative plan of care benefit, including adult day services, as approved by the office of the insurance commissioner.

(g) The health care authority, with the cooperation of the office of the insurance commissioner, shall develop a consumer education program for the eligible employees, retired employees, and retired school employees designed to provide education on the potential need for long-term care, methods of financing long-term care, and the availability of long-term care insurance products including the products offered by the board.

(h) By December 1998, the health care authority, in consultation with the public employees' benefits board, shall submit a report to the appropriate committees of the legislature, including an analysis of the marketing and distribution of the long-term care insurance provided under this section."

Correct the title.

Representatives Condotta and Kessler spoke in favor of adoption of the amendment.

The amendment was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Cody and Condotta spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Second Substitute Senate Bill No. 5202, as amended by the House.

#### ROLL CALL

The Clerk called the roll on the final passage of Second Substitute Senate Bill No. 5202, as amended by the House, and the bill passed the House by the following vote: Yeas - 86, Nays - 10, Absent - 0, Excused - 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Clements, Clibborn, Cody, Condotta, Cox, Crouse, Curtis, DeBolt, Dickerson, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Murray, Newhouse, Nixon, O'Brien, Orcutt, Pearson, Pettigrew, Priest, Quall, Roach, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Wood, Woods and Mr. Speaker - 86.

Voting nay: Representatives Appleton, Chase, Conway, Darneille, Dunn, Hasegawa, Ormsby, Roberts, Simpson and Williams - 10.

Excused: Representatives Morris and Skinner - 2.

SECOND SUBSTITUTE SENATE BILL NO. 5202, as amended by the House, having received the necessary constitutional majority, was declared passed.

The Speaker assumed the chair.

**ENGROSSED SUBSTITUTE SENATE BILL NO. 6090, By Senate Committee on Ways & Means (originally**

**sponsored by Senators Prentice and Zarelli; by request of Governor Gregoire)**

**Making 2005-07 operating appropriations.**

The bill was read the second time.

On motion of Representative Sommers, the committee amendment by the Committee on Appropriation was before the House for purpose of amendments. (For committee amendment, see Journal, 89th Day, April 8, 2005.)

Representative Orcutt moved the adoption of amendment (449) to the committee amendment:

On page 2, line 2, reduce the General Fund--State Appropriation for fiscal year 2006 by \$150,000.

On page 2, line 4, correct the total.

Beginning on page 2, line 5, strike all material through page 3, line 2.

On page 3, line 4, reduce the General Fund--State Appropriation for fiscal year 2006 by \$150,000.

On page 3, line 6, correct the total.

Beginning on page 3, line 7, strike all material through page 4, line 4.

Representatives Orcutt and Orcutt spoke in favor of the adoption of the amendment to the committee amendment.

Representative McIntire spoke against the adoption of the amendment to the committee amendment.

The amendment to the committee amendment was not adopted.

Representative Hinkle moved the adoption of amendment (455) to the committee amendment:

On page 41, line 32, reduce the general fund--state appropriation for fiscal year 2006 by \$792,000

On page 41, line 33, reduce the general fund--state appropriation for fiscal year 2007 by \$1,209,000

On page 41, line 34, reduce the general fund--federal appropriation by \$2,001,000

On page 41, line 36, correct the total accordingly

On page 55, line 2, increase the general fund--state appropriation for fiscal year 2006 by \$1,025,000

On page 55, line 3, increase the general fund--state appropriation for fiscal year 2007 by \$1,102,000

On page 55, line 4, increase the general fund--federal appropriation by \$1,948,000

On page 55, line 6, correct the total accordingly

On page 56, after line 18, insert the following:

"(4) \$1,025,000 of the general fund--state appropriation for fiscal year 2006, \$1,102,000 of the general fund--state appropriation for fiscal year 2007, and \$1,948,000 of the general fund--federal

appropriation are provided solely for the department to verify children's continued eligibility for medical assistance services every six months."

On page 57, line 5, reduce the general fund--federal appropriation by \$33,465,000

On page 57, line 9, reduce the health services account--state appropriation by \$32,776,000

On page 57, line 10, correct the total accordingly

Renumber the sections consecutively and correct any internal references accordingly.

Representatives Hinkle, Hinkle (again) and Ericksen spoke in favor of the adoption of the amendment to the committee amendment.

Representatives Clibborn and Cody spoke against the adoption of the amendment to the committee amendment.

The amendment to the committee amendment was not adopted.

Representative Miloscia moved the adoption of amendment (443) to the committee amendment.

On page 46, line 7, increase the general fund--state appropriation for fiscal year 2006 by \$65,000

On page 46, line 8, increase the general fund--state appropriation for fiscal year 2007 by \$65,000

On page 46, line 9, increase the general fund--federal appropriation by \$130,000

Correct the total

On page 50, beginning on line 31, insert the following:

"(j) \$65,000 of the general fund--state appropriation for fiscal year 2006, \$65,000 of the general fund--state appropriation for fiscal year 2007, and \$130,000 of the general fund--federal appropriation are provided solely for supplemental compensation increases for direct care workers employed by home care agencies in recognition of higher labor market cost pressures experienced by agencies subject to collective bargaining obligations. In order for a specific home care agency to eligible for such increases, home care agencies shall submit the following to the department:

- (i) Proof of a legally binding, written commitment to increase the compensation of agency home care workers; and
- (ii) Proof of the existence of a method of enforcement of the commitment, such as arbitration, that is available to the employees or their representative, and proof that such a method is expeditious, uses a neutral decision maker, and is economical for the employees."

On page 51, line 27, increase the general fund--state appropriation for fiscal year 2006 by \$435,000

On page 51, line 28, increase the general fund--state appropriation for fiscal year 2007 by \$435,000

On page 51, line 29, increase the general fund--federal appropriation by \$870,000

Correct the total.

On page 54, beginning on line 36, insert the following:

"(14) \$435,000 of the general fund--state appropriation for fiscal year 2006, \$435,000 of the general fund--state appropriation for fiscal year 2007, and \$870,000 of the general fund--federal appropriation are provided solely for supplemental compensation

increases for direct care workers employed by home care agencies in recognition of higher labor market cost pressures experienced by agencies subject to collective bargaining obligations. In order for a specific home care agency to be eligible for such increases, home care agencies shall submit the following to the department:

(i) Proof of a legally binding, written commitment to increase the compensation of agency home care workers; and

(ii) Proof of the existence of a method of enforcement of the commitment, such as arbitration, that is available to the employees or their representative, and proof that such a method is expeditious, uses a neutral decision maker, and is economical for the employees."

Representative Miloscia spoke in favor of the adoption of the amendment to the committee amendment.

Representative Armstrong spoke against the adoption of the amendment to the committee amendment.

The amendment to the committee was adopted.

Representative Alexander moved the adoption of amendment (444) to the committee amendment.

On page 55, line 2, decrease the general fund--state appropriation for fiscal year 2006 by \$49,908,000

On page 55, line 3, decrease the general fund--state appropriation for fiscal year 2007 by \$46,345,000

On page 55, line 6, correct the total

On page 55, beginning on line 28, strike all of subsection (2)

Renumber the remaining subsection consecutively and correct internal references accordingly

On page 61, beginning on line 27, strike all of subsection (21)

Representatives Alexander and Bailey spoke in favor of the adoption of the amendment to the committee amendment.

Representatives Darneille spoke against the adoption of the amendment to the committee amendment.

The amendment to the committee was not adopted.

Representative Jarrett moved the adoption of amendment (442) to the committee amendment.

On page 63, line 25, increase the health services account--state appropriation by \$50,000.

On page 63, line 26, correct the total.

On page 65, after line 37, insert the following: "(12) \$50,000 of the health services account--state appropriation is provided solely for a study of the feasibility of the health care authority establishing a consumer driven health plan pilot for subsidized BHP enrollees. This pilot shall provide subsidized BHP enrollees with the option of receiving a subsidy to purchase a health insurance plan that consists of a health savings plan and a high-deductible health plan from a regulated insurance carrier in the private market. The health savings account shall conform to section 223, Part VII of subchapter B of chapter 1 of the internal revenue code of 1986. The high deductible health plans shall provide preventative care outside of the health plan deductible and a wellness program. This study shall identify: (a) health savings accounts and high deductible plans offered by regulated insurance carrier in the private market, (b) the required premiums and health savings account contribution requirements for these plans (c) the schedule of covered health care services in the high deductible health plan, including preventative and wellness services (d) proposed subsidy scale based upon gross family income,

giving appropriate consideration to family size and the ages of all family members; (e) process used to select participants of the pilot program; and (d) proposed state funding plan for the pilot. On or before December 1, 2005, the agency shall report to relevant policy and fiscal committees of the legislature on the results of the study."

Representatives Jarrett and Cody spoke in favor of the adoption of the amendment to the committee amendment.

The amendment to the committee was adopted.

Representative Takko moved the adoption of amendment (454) to the committee amendment.

On page 90, line 14, increase the general fund--state appropriation for fiscal year 2006 by \$680,000.

On page 90, line 15, increase the general fund--state appropriation for fiscal year 2007 by \$1,020,000.

On page 91, line 4, correct the total.

On page 92, after line 28, insert "(11) \$680,000 of the general fund--state appropriation for fiscal year 2006 and \$1,020,000 of the general fund--state appropriation for fiscal year 2007 are provided solely to fulfill compliance monitoring commitments expressed in the forest and fish report and to maintain the involvement of technical experts in its implementation. This compliance monitoring has been incorporated into the state's forest practices rules and is part of the habitat conservation plan the state is preparing to obtain federal endangered species act and clean water act assurances."

Representative Takko spoke in favor of the adoption of the amendment to the committee amendment.

The amendment to the committee was adopted.

Representative Tom moved the adoption of amendment (454) to the committee amendment.

On page 122, line 33, increase the general fund--state appropriation for fiscal year 2006 by \$12,035,000.

On page 122, line 34, increase the general fund--state appropriation for fiscal year 2007 by \$21,971,000.

On page 122, line 35, correct the total.

On page 163, after line 35, insert the following:

**"NEW SECTION. Sec. 718. AGENCY EXPENDITURES FOR GOODS AND SERVICES.** (1) The office of financial management shall reduce allotments for all agencies for purchased goods and services by \$50,000,000 from general fund--state appropriations in this act to reflect reductions in state agency purchasing costs resulting from the full implementation of section 208, chapter 354, Laws of 2002 (the personnel system reform act of 2002). The general fund allotment reduction shall be placed in unallotted status and remain unexpended.

(2) Savings generated in agencies by the implementation of this section shall not be considered unspent general fund appropriations for purposes of sections 722 and 723 of this act and shall remain in the general fund."

Renumber remaining sections consecutively and correct internal references accordingly.

On page 190, beginning on line 9, strike "(5) From January 1, 2006, to June 30, 2007, allocations and maximum eligibility under this chapter shall be multiplied by 0.885."

Representatives Tom, Ericksen, Cox, Priest, Talcott, DeBolt and Buri spoke in favor of the adoption of the amendment to the committee amendment.

Representative Fromhold spoke against the adoption of the amendment to the committee amendment.

An electronic roll call vote was demanded and the demand was sustained.

The Speaker stated the question before the House to be adoption of amendment (454) to Engrossed Substitute Senate Bill No. 6090.

### ROLL CALL

The Clerk called the roll on the adoption of amendment (454) to Engrossed Substitute Senate Bill No. 6090, and the amendment was not adopted by the following vote: Yeas - 47, Nays - 50, Absent - 0, Excused - 1.

Voting yea: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Campbell, Chandler, Clements, Condotta, Cox, Crouse, Curtis, DeBolt, Dunn, Ericksen, Green, Haler, Hankins, Hinkle, Holmquist, Jarrett, Kilmer, Kretz, Kristiansen, Linville, McCune, McDonald, Newhouse, Nixon, Orcutt, Pearson, Priest, Roach, Rodne, Schindler, Serben, Shabro, Strow, Sump, Takko, Talcott, Tom, Wallace, Walsh and Woods - 47.

Voting nay: Representatives Appleton, Blake, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kirby, Lantz, Lovick, McCoy, McDermott, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, O'Brien, Ormsby, Pettigrew, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Springer, Sullivan, B., Sullivan, P., Upthegrove, Williams, Wood and Mr. Speaker - 50.

Excused: Representative Skinner - 1.

Representative Ericksen moved the adoption of amendment (445) to the committee amendment:

On page 124, line 29, increase the general fund-state appropriation for fiscal year 2006 by \$3,594,000.

On page 124, line 30, increase the general fund-state appropriation for fiscal year 2007 by \$3,594,000.

On page 124, line 32, correct the total.

On page 129, after line 38, insert the following: "(c) \$3,594,000 of the general fund--state appropriation for fiscal year 2006 and \$3,594,000 of the general fund--state appropriation for fiscal year 2007 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."

On page 141, line 23, decrease the general fund-state appropriation for fiscal year 2006 by \$370,000.

On page 141, line 24, decrease the general fund-state appropriation for fiscal year 2007 by \$370,000.

On page 141, line 29, correct the total.

On page 143, beginning on line 18, strike all of subsection (7).

Renumber the sections consecutively and correct any internal references accordingly.

Representatives Ericksen, Sump, DeBolt and Nixon spoke in favor of the adoption of the amendment.

Representative Sommers spoke against the adoption of the amendment.

An electronic roll call vote was demanded and the demand was sustained.

The Speaker stated the question before the House to be adoption of amendment (445) to Engrossed Substitute Senate Bill No. 6090.

### ROLL CALL

The Clerk called the roll on the adoption of amendment (445) to Engrossed Substitute Senate Bill No. 6090, and the amendment was not adopted by the following vote: Yeas - 47, Nays - 50, Absent - 0, Excused - 1.

Voting yea: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Campbell, Chandler, Condotta, Cox, Crouse, Curtis, DeBolt, Dunn, Ericksen, Green, Haler, Hankins, Hinkle, Holmquist, Jarrett, Kilmer, Kretz, Kristiansen, Lantz, Linville, McCune, McDonald, Newhouse, Nixon, Orcutt, Pearson, Priest, Quall, Roach, Rodne, Schindler, Serben, Shabro, Strow, Sullivan, P., Sump, Talcott, Tom, Walsh and Woods - 47.

Voting nay: Representatives Appleton, Blake, Chase, Clements, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kirby, Lovick, McCoy, McDermott, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, O'Brien, Ormsby, Pettigrew, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Springer, Sullivan, B., Takko, Upthegrove, Wallace, Williams, Wood and Mr. Speaker - 50.

Excused: Representative Skinner - 1.

Representative Clements moved the adoption of amendment (452) to the committee amendment:

On page 124, line 29, increase the general fund-state appropriation for fiscal year 2006 by \$3,594,000.

On page 124, line 30, increase the general fund-state appropriation for fiscal year 2007 by \$3,594,000.

On page 124, line 32, correct the total.

On page 129, after line 38, insert the following: "(c) \$3,594,000 of the general fund--state appropriation for fiscal year 2006 and \$3,594,000 of the general fund--state appropriation for fiscal year 2007 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."

Representatives Clements, Armstrong, Strow, McDonald, Serben and Shabro spoke in favor of the adoption of the amendment to the committee amendment.

Representatives Hunter and Flannigan spoke against the adoption of the amendment to the committee amendment.

An electronic rollcall vote was demanded and the demand was sustained.

The Speaker stated the question before the House to be adoption of amendment (452) to Engrossed Substitute Senate Bill No. 6090.

### ROLL CALL

The Clerk called the roll on the adoption of amendment (452) to Engrossed Substitute Senate Bill No. 6090, and the amendment was not adopted by the following vote: Yeas - 48, Nays - 49, Absent - 0, Excused - 1.

Voting yea: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Campbell, Chandler, Clements, Condotta, Cox, Crouse, Curtis, DeBolt, Dunn, Ericks, Ericksen, Green, Haler, Hankins, Hinkle, Holmquist, Jarrett, Kilmer, Kretz, Kristiansen, Linville, McCune, McDonald, Newhouse, Nixon, Orcutt, Pearson, Priest, Quall, Roach, Rodne, Schindler, Serben, Shabro, Strow, Sullivan, P., Sump, Talcott, Tom, Walsh and Woods - 48.

Voting nay: Representatives Appleton, Blake, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Flannigan, Fromhold, Grant, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kirby, Lantz, Lovick, McCoy, McDermott, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, O'Brien, Ormsby, Pettigrew, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Springer, Sullivan, B., Takko, Upthegrove, Wallace, Williams, Wood and Mr. Speaker - 49.

Excused: Representative Skinner - 1.

Representative Kessler moved the adoption of amendment (437) to the committee amendment:

On page 124, line 29, increase the general fund-state appropriation for fiscal year 2006 by \$850,000.

On page 124, line 30, increase the general fund-state appropriation for fiscal year 2007 by \$850,000.

On page 124, line 32, correct the total.

On page 129, after line 38, insert the following:

"(c) \$850,000 of the general fund—state appropriation for fiscal year 2006 and \$850,000 of the general fund—state appropriation for fiscal year 2007 are provided solely for the Washington reading corps. The superintendent shall allocate reading corps members to low performing schools and school districts that are implementing comprehensive, proven, research-based reading programs. Two or more schools may combine their Washington reading corps programs. Grants provided under this section may be used by school districts for expenditures from September 2005 through August 31, 2007."

Representatives Kessler, Talcott and Walsh spoke in favor of the adoption of the amendment to the committee amendment.

The amendment to the committee was adopted.

Representative Holmquist moved the adoption of amendment (458) to the committee amendment:

On page 139, line 2, decrease the general fund-state appropriation for fiscal year 2006 by \$2,306,000.

On page 139, line 3, decrease the general fund-state appropriation for fiscal year 2007 by \$2,306,000.

On page 139, line 7, correct the total.

On page 141, line 23, decrease the general fund-state appropriation for fiscal year 2006 by \$1,279,000.

On page 141, line 24, decrease the general fund-state appropriation for fiscal year 2007 by \$1,280,000.

On page 141, line 29, correct the total.

On page 143, line 33, decrease the general fund-state appropriation for fiscal year 2006 by \$1,049,000.

On page 143, line 34, decrease the general fund-state appropriation for fiscal year 2007 by \$1,050,000.

On page 143, line 36, correct the total.

On page 145, line 29, decrease the general fund-state appropriation for fiscal year 2006 by \$98,000.

On page 145, line 30, decrease the general fund-state appropriation for fiscal year 2007 by \$99,000.

On page 145, line 32, correct the total.

On page 146, line 36, decrease the general fund-state appropriation for fiscal year 2006 by \$107,000.

On page 146, line 37, decrease the general fund-state appropriation for fiscal year 2007 by \$107,000.

On page 147, line 2, correct the total.

On page 148, line 9, decrease the general fund-state appropriation for fiscal year 2006 by \$118,000.

On page 147, line 10, decrease the general fund-state appropriation for fiscal year 2007 by \$118,000.

On page 147, line 12, correct the total.

On page 149, line 32, decrease the general fund-state appropriation for fiscal year 2006 by \$209,000.

On page 148, line 33, decrease the general fund-state appropriation for fiscal year 2007 by \$210,000.

On page 148, line 35, correct the total.

On page 151, line 22, increase general fund--state appropriation by \$4,985,000.

On page 151, line 23, increase general fund--state appropriation by \$5,354,000.

On page 151, line 26, correct the total.

On page 152, line 10, after "(4)" strike "\$133,142,000" and insert "\$138,127,000"

On page 152, line 11, after "2006," strike "\$142,293,000" and insert "\$147,647,000"

Representative Holmquist spoke in favor of the adoption of the amendment to the committee amendment.



Representative Kenney spoke against the adoption of the amendment to the committee amendment.

The amendment to the committee amendment was not adopted.

Representative Cox moved the adoption of amendment (448) to the committee amendment:

On page 143, line 33, increase the general fund--state appropriation for fiscal year 2006 by \$507,000

On page 143, line 36, correct the total

On page 145, line 11, after "2006" insert ", \$507,000 of the general fund--state appropriation for fiscal year 2006,"

Representative Cox spoke in favor of the adoption of the amendment to the committee amendment.

Representative Sommers spoke against the adoption of the amendment to the committee amendment.

The amendment to the committee amendment was not adopted.

Representative Ahern moved the adoption of amendment (450) to the committee amendment:

On page 163, after line 35, insert the following:

**"NEW SECTION. Sec. 718. AGENCY EXPENDITURES FOR GOODS AND SERVICES.** (1) The office of financial management shall reduce allotments for all agencies for purchased goods and services by \$50,000,000 from general fund--state appropriations in this act to reflect reductions in state agency purchasing costs resulting from the full implementation of section 208, chapter 354, Laws of 2002 (the personnel system reform act of 2002). The general fund allotment reduction shall be placed in unallotted status and remain unexpended.

(2) Savings generated in agencies by the implementation of this section shall not be considered unspent general fund appropriations for purposes of sections 722 and 723 of this act and shall remain in the general fund."

Renumber remaining sections consecutively and correct internal references accordingly.

Representatives Ahern and Alexander spoke in favor of the adoption of the amendment to the committee amendment.

Representative Haigh spoke against the adoption of the amendment to the committee amendment.

An electronic roll call vote was demanded and the demand was sustained.

The Speaker stated the question before the House to be adoption of amendment (450) to Engrossed Substitute Senate Bill No. 6090.

### ROLL CALL

The Clerk called the roll on the adoption of amendment (450) to Engrossed Substitute Senate Bill No. 6090, and the amendment was not adopted by the following vote: Yeas - 45, Nays - 52, Absent - 0, Excused - 1.

Voting yea: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Chandler, Clements, Condotta, Cox, Crouse, Curtis, DeBolt, Dunn, Ericksen, Green, Haler,

Hinkle, Holmquist, Jarrett, Kilmer, Kretz, Kristiansen, McCune, McDonald, Morrell, Newhouse, Nixon, Orcutt, Pearson, Priest, Roach, Rodne, Schindler, Serben, Shabro, Springer, Straw, Sump, Talcott, Tom, Wallace, Walsh and Woods - 45.

Voting nay: Representatives Appleton, Blake, Campbell, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Haigh, Hankins, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kirby, Lantz, Linville, Lovick, McCoy, McDermott, McIntire, Miloscia, Moeller, Morris, Murray, O'Brien, Ormsby, Pettigrew, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Sullivan, B., Sullivan, P., Takko, Upthegrove, Williams, Wood and Mr. Speaker - 52.

Excused: Representative Skinner - 1.

Representative Clements moved the adoption of amendment (457) to the committee amendment:

On page 165, after line 10, insert:

**"NEW SECTION. Sec. 721. TWO PERCENT PERSONNEL REDUCTION IN CERTAIN DEPARTMENTS.**

(1) The office of financial management shall work with selected state agencies to generate savings of \$20,124,000, of which \$6,895,000 shall be from the state general fund appropriations, that can arise from a two percent employee reduction in selected state agencies.

(2) The reduction will be phased in over the course of the biennium so that the staffing level of each state agency is reduced by two percent on June 30, 2007. The reduction of two percent shall be applied to the level of staffing assumed in the appropriations made in this act.

(3) For the purposes of this section, "selected agencies" means the office of the governor, the office of financial management, the department of agriculture, the department of community, trade, and economic development, the department of ecology, the employment security department, the department of fish and wildlife, the department of general administration, the department of health, the department of information systems, the department of labor and industries, the department of personnel, the department of retirement systems, the department of revenue, and the department of social and health services, excluding the divisions of mental health, developmental disabilities, and children and family services.

(4) The office of financial management shall direct agencies to place these savings in reserve status.

(5) Savings generated in agencies by the implementation of these reductions shall not be considered unspent general fund appropriations for purposes of sections 722 and 723 of this act and shall remain in the state general fund.

(6) The office of financial management shall report to the fiscal committees of the legislature on the implementation of this section no later than June 30, 2006, and again no later than June 30, 2007. The report will include the following information for each position eliminated: (a) job classification; (b) date the position was eliminated; (c) the amount saved by fund source; (d) whether the employee who previously held the vacated position still works in another position within the agency; and (e) whether the employee who previously held the vacated position still works in any other state agency."

Renumber the remaining sections consecutively and correct any internal references accordingly.

Representative Clements spoke in favor of the adoption of the amendment.

Representative Sommers spoke against the adoption of the amendment.

An electronic roll call vote was demanded and the demand was sustained.

The Speaker stated the question before the House to be adoption of amendment (446) to Engrossed Substitute Senate Bill No. 6090.

### ROLL CALL

The Clerk called the roll on the adoption of amendment (446) to Engrossed Substitute Senate Bill No. 6090, and the amendment was not adopted by the following vote: Yeas - 45, Nays - 52, Absent - 0, Excused - 1.

Voting yea: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Campbell, Chandler, Clements, Condotta, Cox, Crouse, Curtis, DeBolt, Dunn, Ericksen, Green, Haler, Hankins, Hinkle, Holmquist, Jarrett, Kilmer, Kretz, Kristiansen, McCune, McDonald, Morrell, Newhouse, Nixon, Orcutt, Pearson, Priest, Roach, Rodne, Schindler, Serben, Shabro, Strow, Sump, Talcott, Tom, Walsh and Woods - 45.

Voting nay: Representatives Appleton, Blake, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kirby, Lantz, Linville, Lovick, McCoy, McDermott, McIntire, Miloscia, Moeller, Morris, Murray, O'Brien, Ormsby, Pettigrew, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Springer, Sullivan, B., Sullivan, P., Takko, Upthegrove, Wallace, Williams, Wood and Mr. Speaker - 52.

Excused: Representative Skinner - 1.

Representative Anderson moved the adoption of amendment (446) to the committee amendment:

On page 178, strike all material on lines 26 through 29.

Representative Anderson spoke in favor of the adoption of the amendment to the committee amendment.

Representative McIntire spoke against the adoption of the amendment to the committee amendment.

An electronic roll call vote was demanded and the demand was sustained.

The Speaker stated the question before the House to be adoption of amendment (446) to Engrossed Substitute Senate Bill No. 6090.

### ROLL CALL

The Clerk called the roll on the adoption of amendment (446) to Engrossed Substitute Senate Bill No. 6090, and the amendment was not adopted by the following vote: Yeas - 45, Nays - 52, Absent - 0, Excused - 1.

Voting yea: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Campbell, Chandler, Clements, Condotta, Cox, Crouse, Curtis, DeBolt, Dunn, Ericksen, Green, Haler, Hankins, Hinkle, Holmquist, Jarrett, Kilmer, Kretz, Kristiansen, McCune, McDonald, Morrell, Newhouse, Nixon, Orcutt, Pearson, Priest, Roach, Rodne, Schindler, Serben, Shabro, Strow, Sump, Talcott, Tom, Walsh and Woods - 45.

Voting nay: Representatives Appleton, Blake, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kirby, Lantz, Linville, Lovick, McCoy, McDermott, McIntire, Miloscia, Moeller, Morris, Murray, O'Brien, Ormsby, Pettigrew, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Springer, Sullivan, B., Sullivan, P., Takko, Upthegrove, Wallace, Williams, Wood and Mr. Speaker - 52.

Excused: Representative Skinner - 1.

Representative Bailey moved the adoption of amendment (451) to the committee amendment:

On page 179, strike lines 1 through 3

On page 204, beginning on line 3, strike all of section 929

Renumber the sections consecutively and correct any internal references accordingly.

Correct the title.

Representatives Bailey and Orcutt spoke in favor of the adoption of the amendment to the committee amendment.

Representative McIntire spoke against the adoption of the amendment to the committee amendment.

An electronic roll call vote was demanded and the demand was sustained.

The Speaker stated the question before the House to be adoption of amendment (451) to Engrossed Substitute Senate Bill No. 6090.

### ROLL CALL

The Clerk called the roll on the adoption of amendment (451) to Engrossed Substitute Senate Bill No. 6090, and the amendment was not adopted by the following vote: Yeas - 48, Nays - 49, Absent - 0, Excused - 1.

Voting yea: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Campbell, Chandler, Clements, Clibborn, Condotta, Cox, Crouse, Curtis, DeBolt, Dunn, Ericks, Ericksen, Green, Haler, Hankins, Hinkle, Holmquist, Jarrett, Kilmer, Kretz, Kristiansen, McCune, McDonald, Newhouse, Nixon, Orcutt, Pearson, Priest, Roach, Rodne, Schindler, Serben, Shabro, Strow, Sullivan, P., Sump, Takko, Talcott, Tom, Walsh and Woods - 48.

Voting nay: Representatives Appleton, Blake, Chase, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Flannigan, Fromhold, Grant, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kirby, Lantz, Linville, Lovick, McCoy, McDermott, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, O'Brien, Ormsby, Pettigrew, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Springer, Sullivan, B., Upthegrove, Wallace, Williams, Wood and Mr. Speaker - 49.

Excused: Representative Skinner - 1.

Representative Serben moved the adoption of amendment (453) to the committee amendment:

On page 179, line 22, strike everything beginning with "Pollution" through "\$15,000,000" on line 25

On page 219, beginning on line 19, strike all of section 940

Renumber the sections consecutively and correct any internal references accordingly.

Representatives Serben and Kessler spoke in favor of the adoption of the amendment to the committee amendment.

The amendment to the committee amendment was adopted.

Representative Priest moved the adoption of amendment (456) to the committee amendment:

On page 179, line 30, strike everything beginning with "State" through "\$14,200,000" on line 32.

On page 214, beginning on line 31, strike all of section 937

Renumber the sections consecutively and correct any internal references accordingly.

Representatives Priest, Kessler, Shabro and Orcutt spoke in favor of the adoption of the amendment to the committee amendment.

The amendment to the committee amendment was adopted.

The committee amendment as amended was adopted.

The Speaker called upon Representative Lovick to preside.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Sommers, Quall, Hunter, Kenney, Kessler, Kagi and Simpson spoke in favor of passage of the bill.

Representatives Alexander, Armstrong, Orcutt, Priest, Jarrett, Ericksen and Dunn spoke against the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 6090, as amended by the House.

#### MOTION

On motion of Representative Rodne, Representative Newhouse was excused.

#### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 6090, as amended by the House, and the bill passed the House by the following vote: Yeas - 55, Nays - 41, Absent - 0, Excused - 2.

Voting yea: Representatives Appleton, Blake, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Green, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kilmer, Kirby, Lantz, Linville, Lovick, McCoy, McDermott, McIntire, Miloscia, Moeller, Morrell, Morris, Murray,

O'Brien, Ormsby, Pettigrew, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Springer, Sullivan, B., Sullivan, P., Takko, Upthegrove, Wallace, Williams, Wood and Mr. Speaker - 55.

Voting nay: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Campbell, Chandler, Clements, Condotta, Cox, Crouse, Curtis, DeBolt, Dunn, Ericksen, Haler, Hankins, Hinkle, Holmquist, Jarrett, Kretz, Kristiansen, McCune, McDonald, Nixon, Orcutt, Pearson, Priest, Roach, Rodne, Schindler, Serben, Shabro, Strow, Sump, Talcott, Tom, Walsh and Woods - 41.

Excused: Representatives Newhouse and Skinner - 2.

ENGROSSED SUBSTITUTE SENATE BILL NO. 6090, as amended by the House, having received the necessary constitutional majority, was declared passed.

#### POINT OF PERSONAL PRIVILEGE

Representative Sommers: recognizes Appropriation staff.

There being no objection, the House advanced to the eleventh order of business.

There being no objection, the House adjourned until 10:00 a.m., April 11, 2005, the 92nd Day of the Regular Session.

FRANK CHOPP, Speaker

RICHARD NAFZIGER, Chief Clerk

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