Proposed 2011-13 Biennial Operating Budget and 2011 Supplemental

PSHB 1087

April 4, 2011

Representative Hunter, Chair
House Ways & Means Committee

AN ACT Relating to fiscal matters; amending RCW 43.03.030, 41.60.150, 41.06.560, 41.50.110, 41.80.010, 41.80.020, 43.07.129, 43.08.190, 43.09.412, 43.09.475, 43.19.501, 43.79.201, 43.79.465, 43.135.045, 43.185C.060, 66.08.170, 66.08.190, 66.08.235, 67.70.260, 70.48.440, 70.93.180, 70.105D.070, 74.13.621, 79.64.040, 79.105.150, 82.08.160, 82.14.310, 82.14.320, 82.14.330, 82.14.390, 82.14.500, 82.45.060, 86.26.007, 48.02.190, 79.17.210, and 79.64.020; reenacting and amending RCW 41.06.070, 41.06.133, 41.06.500, 43.03.040, 43.155.050, and 43.330.250; amending 2011 c 5 ss 106, 107, 108, 113, 114, 115, 117, 118, 119, 120, 121, 122, 125, 126, 127, 128, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 301, 302, 303, 304, 305, 306, 307, 401, 402, 501, 502, 503, 504, 505, 507, 508, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 612, 613, 614, 615, 616, 617, 703, and 801 (uncodified); amending 2010 2nd sp.s. c 1 ss 101, 102, 106, 107, 108, 116, 305, and 306 (uncodified); amending 2010 1st sp.s. c 37 ss 201, 504, 509, 510, 514, 515, 516, 517, 701, 702, 703, 709, 710, 801, and 802 (uncodified); amending 2009 c 564 ss 719, 802, and 803 (uncodified); adding a new section to chapter 41.06 RCW; adding a new section to chapter 43.03 RCW; adding a new section to 2009 c 564 (uncodified); creating a new section; repealing 2010 1st sp.s. c 37 s

802 (uncodified); making appropriations; providing an effective date; and declaring an emergency.

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

NEW SECTION. **Sec. 1.** (1) A budget is hereby adopted and, subject to the provisions set forth in the following sections, the several amounts specified in parts I through IX 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, 2011, and ending June 30, 2013, 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 2012" or "FY 2012" means the fiscal year ending June 30, 2012.

(b) "Fiscal year 2013" or "FY 2013" means the fiscal year ending June 30, 2013.

(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 not expended subject to the specified conditions and limitations 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 2012) $31,528,000
General Fund--State Appropriation (FY 2013) $32,155,000
TOTAL APPROPRIATION $63,683,000

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

General Fund--State Appropriation (FY 2012) $23,253,000
General Fund--State Appropriation (FY 2013) $25,430,000
TOTAL APPROPRIATION $48,683,000

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

General Fund--State Appropriation (FY 2012) $2,768,000
General Fund--State Appropriation (FY 2013) $2,839,000
TOTAL APPROPRIATION $5,607,000

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

(1) Notwithstanding the provisions of this section, the joint legislative audit and review committee may adjust the due dates for projects included on the committee's 2011-13 work plan as necessary to efficiently manage workload.

(2) Within the amounts appropriated in this section, the committee shall conduct a review of the state's workplace safety and health program. The review shall examine workplace safety inspection, enforcement, training, and outreach efforts compared to other states and federal programs; analyze workplace injury and illness rates and trends in Washington; identify factors that may influence workplace safety and health; and identify practices that may improve workplace safety and health and/or impact insurance rates.

(3) Within the amounts appropriated in this section, the committee shall conduct a review of marketing and vendor expenditures and incentive payment programs at the state lottery commission to identify cost savings and efficiencies to maximize contributions to beneficiaries under this act. This review shall include examination of the following:

(a) An analysis of marketing expenses and the impact on ticket sales; the impact to sales of tickets from the change in lottery beneficiaries; the competitive contracting processes for marketing services and vendors and comparison to other states; identification of whether there are duplicative or unproductive marketing activities; and identification of whether savings may occur from changing vendors.

(b) A description of how the employee incentive payment program at

the state lottery commission operates, and comparison to best practices for outcome-based performance payments.

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

General Fund--State Appropriation (FY 2012) $2,065,000
General Fund--State Appropriation (FY 2013) $2,236,000
TOTAL APPROPRIATION $4,301,000

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

General Fund--State Appropriation (FY 2012) $24,000
General Fund--State Appropriation (FY 2013) $24,000
Department of Retirement Systems Expense
Account--State Appropriation $3,487,000
TOTAL APPROPRIATION $3,535,000

NEW SECTION. **Sec. 106. FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**

General Fund--State Appropriation (FY 2012) $8,181,000
General Fund--State Appropriation (FY 2013) $8,096,000
TOTAL APPROPRIATION $16,277,000

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

General Fund--State Appropriation (FY 2012) $4,363,000
General Fund--State Appropriation (FY 2013) $4,824,000
TOTAL APPROPRIATION $9,187,000

NEW SECTION. **Sec. 108. FOR THE REDISTRICTING COMMISSION**

General Fund--State Appropriation (FY 2012) $1,627,000
General Fund--State Appropriation (FY 2013) $154,000
TOTAL APPROPRIATION $1,781,000

The appropriations in this section are subject to the following conditions and limitations: $443,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for the support of legislative redistricting efforts. The commission shall enter into an interagency agreement with the house of representatives and the senate for the expenditure of these funds.

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

General Fund--State Appropriation (FY 2012) $6,897,000
General Fund--State Appropriation (FY 2013) $6,938,000
TOTAL APPROPRIATION $13,835,000

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

General Fund--State Appropriation (FY 2012) $1,631,000
General Fund--State Appropriation (FY 2013) $1,629,000
TOTAL APPROPRIATION $3,260,000

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

General Fund--State Appropriation (FY 2012) $15,625,000
General Fund--State Appropriation (FY 2013) $15,740,000
TOTAL APPROPRIATION $31,365,000

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

General Fund--State Appropriation (FY 2012) $1,078,000
General Fund--State Appropriation (FY 2013) $1,018,000
TOTAL APPROPRIATION $2,096,000

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

General Fund--State Appropriation (FY 2012) $41,090,000
General Fund--State Appropriation (FY 2013) $42,860,000
General Fund--Federal Appropriation $1,551,000
General Fund--Private/Local Appropriation $260,000
Judicial Information Systems Account--State
Appropriation $38,190,000
Judicial Stabilization Trust Account--State
Appropriation $7,256,000
TOTAL APPROPRIATION $131,207,000

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

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

(2) $265,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for the office of public guardianship to provide guardianship services for low-income incapacitated persons.

(3) Until funding is specifically appropriated for the superior court case management system, amounts appropriated in this section may not be expended for the creation, development, or implementation of a superior court case management system.

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

General Fund--State Appropriation (FY 2012) $23,584,000
General Fund--State Appropriation (FY 2013) $23,537,000
Judicial Stabilization Trust Account--State
Appropriation $3,344,000
TOTAL APPROPRIATION $50,465,000

The appropriations in this section are subject to the following conditions and limitations: The amounts provided include funding for expert and investigative services in death penalty personal restraint petitions.

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

General Fund--State Appropriation (FY 2012) $10,378,000
General Fund--State Appropriation (FY 2013) $10,391,000
Judicial Stabilization Trust Account--State
Appropriation $1,474,000
TOTAL APPROPRIATION $22,243,000

The appropriations in this section are subject to the following conditions and limitations: An amount not to exceed $40,000 of the general fund--state appropriation for fiscal year 2012 and an amount not to exceed $40,000 of the general fund--state appropriation for fiscal year 2013 may be used to provide telephonic legal advice and assistance to otherwise eligible persons who are sixty years of age or older on matters authorized by RCW 2.53.030(2) (a) through (k) regardless of household income or asset level.

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

General Fund--State Appropriation (FY 2012) $5,482,000
General Fund--State Appropriation (FY 2013) $5,485,000
Economic Development Strategic Reserve Account--State

Appropriation $1,500,000
TOTAL APPROPRIATION $12,467,000

The appropriations in this section are subject to the following conditions and limitations: $1,500,000 of the economic development strategic reserve account appropriation is provided solely for efforts to assist with currently active industrial recruitment efforts that will bring new jobs to the state or will retain headquarter locations of major companies currently housed in the state.

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

General Fund--State Appropriation (FY 2012) $520,000
General Fund--State Appropriation (FY 2013) $533,000
General Fund--Private/Local Appropriation $90,000
TOTAL APPROPRIATION $1,143,000

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

General Fund--State Appropriation (FY 2012) $2,187,000
General Fund--State Appropriation (FY 2013) $2,188,000
TOTAL APPROPRIATION $4,375,000

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

General Fund--State Appropriation (FY 2012) $16,670,000
General Fund--State Appropriation (FY 2013) $14,154,000
General Fund--Federal Appropriation $7,431,000
Archives and Records Management Account--State
Appropriation $8,065,000
Charitable Organization Education Account--State
Appropriation $452,000
Department of Personnel Service Account--State
Appropriation $781,000
Local Government Archives Account--State
Appropriation $10,728,000
Election Account--Federal Appropriation $17,338,000
TOTAL APPROPRIATION $75,619,000

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

(1) $4,101,000 of the general fund--state appropriation for fiscal year 2012 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)(a) $1,897,000 of the general fund--state appropriation for fiscal year 2012 and $2,076,000 of the general fund--state appropriation for fiscal year 2013 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 2011-2013 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 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.

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

General Fund--State Appropriation (FY 2012) $244,000
General Fund--State Appropriation (FY 2013) $253,000
TOTAL APPROPRIATION $497,000

The appropriations in this section are subject to the following conditions and limitations: The office shall assist the department of enterprise services 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 enterprise services 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 2012) $218,000
General Fund--State Appropriation (FY 2013) $207,000
TOTAL APPROPRIATION $425,000

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

State Treasurer's Service Account--State
Appropriation $15,187,000

NEW SECTION. **Sec. 123. FOR THE STATE AUDITOR**

General Fund--State Appropriation (FY 2012) $728,000
General Fund--State Appropriation (FY 2013) $733,000
State Auditing Services Revolving
Account--State Appropriation $179,000
Performance Audit of Government Account--State
Appropriation $28,338,000
TOTAL APPROPRIATION $29,978,000

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

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

(2) $728,000 of the general fund--state appropriation for fiscal year 2012 and $733,000 of the general fund--state appropriation for fiscal year 2013 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) Within the amounts appropriated in this section, the state auditor shall continue to complete the annual audit of the state's comprehensive annual financial report and the annual federal single audit consistent with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in government auditing standards, issued by the comptroller general of the United States, and OMB circular A-133, audits of states, local governments, and nonprofit organizations.

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

General Fund--State Appropriation (FY 2012) $156,000
General Fund--State Appropriation (FY 2013) $195,000
TOTAL APPROPRIATION $351,000

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

General Fund--State Appropriation (FY 2012) $5,070,000
General Fund--State Appropriation (FY 2013) $5,070,000
General Fund--Federal Appropriation $4,722,000
New Motor Vehicle Arbitration Account--State
Appropriation $1,000,000
Legal Services Revolving Account--State
Appropriation $213,188,000

Tobacco Prevention and Control Account--State
Appropriation $270,000
TOTAL APPROPRIATION $229,320,000

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. As part of its by agency report to the legislative fiscal committees and the office of financial management, the office of the attorney general shall include information detailing the agency's expenditures for its agency-wide overhead and a breakdown by division of division administration expenses.

(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 ways and means.

(3) The attorney general shall annually report to the fiscal committees of the legislature all new cy pres awards and settlements and all new accounts, disclosing their intended uses, balances, the nature of the claim or account, proposals, and intended timeframes for the expenditure of each amount. The report shall be distributed electronically and posted on the attorney general's web site. The report shall not be printed on paper or distributed physically.

(4) $70,000 of the general fund--state appropriation for fiscal year 2012 and $70,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for implementation of Substitute House Bill No. 1793 (access to juvenile records). If this bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

(5) The attorney general shall enter into an interagency agreement with the medical assistance administration for expenditure of $1,570,000 of the state's proceeds from the *cy pres* settlement in *State of Washington v. AstraZeneca* (Seroquel) for the purposes set forth in section 209 of this act.

(6) $62,000 of the legal services revolving fund--state appropriation is provided solely to implement House Bill No. 1770 (state purchasing). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(7) $124,000 of the legal services revolving fund--state appropriation is provided solely to implement House Bill No. 2002 (industrial insurance). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(8) $550,000 of the legal services revolving fund--state appropriation is provided solely to implement House Bill No. 2008 (natural resources programs). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

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

General Fund--State Appropriation (FY 2012) $709,000
General Fund--State Appropriation (FY 2013) $710,000
TOTAL APPROPRIATION $1,419,000

NEW SECTION. **Sec. 127. FOR THE DEPARTMENT OF COMMERCE**

General Fund--State Appropriation (FY 2012) $63,381,000
General Fund--State Appropriation (FY 2013) $78,963,000
General Fund--Federal Appropriation $282,675,000
General Fund--Private/Local Appropriation $4,982,000
Public Works Assistance Account--State
Appropriation $3,059,000
Drinking Water Assistance Administrative
Account--State Appropriation $443,000
Lead Paint Account--State Appropriation $65,000
Building Code Council Account--State Appropriation $13,000
Home Security Fund Account--State Appropriation $16,454,000
Affordable Housing for All Account--State
Appropriation $12,909,000
County Research Services Account--State Appropriation . . . $1,052,000
Financial Fraud and Identity Theft Crimes Investigation
and Prosecution Account--State Appropriation $1,166,000
Low-Income Weatherization Assistance Account--State
Appropriation $5,795,000
City and Town Research Services Account--State

Appropriation $5,026,000
Manufacturing Innovation and Modernization
Account--State Appropriation $61,000
Community and Economic Development Fee Account--State
Appropriation $6,517,000
Washington Housing Trust Account--State
Appropriation $17,607,000
Prostitution Prevention and Intervention Account--
State Appropriation $94,000
Public Facility Construction Loan Revolving
Account--State Appropriation $764,000
Washington Community Technology Opportunity Account--
State Appropriation $713,000
TOTAL APPROPRIATION $501,739,000

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

(1) Repayments of outstanding mortgage and rental assistance program loans administered by the department under RCW 43.63A.640 shall be remitted to the department, including any current revolving account balances. The department shall collect payments on outstanding loans, and deposit them into the state general fund. Repayments of funds owed under the program shall be remitted to the department according to the terms included in the original loan agreements.

(2) $500,000 of the general fund--state appropriation for fiscal year 2012 and $500,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for a grant to resolution Washington to building statewide capacity for alternative dispute resolution centers and dispute resolution programs that guarantee that citizens have access to low-cost resolution as an alternative to litigation.

(3) $277,000 of the general fund--state appropriation for fiscal year 2012 and $277,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for a grant to the retired senior volunteer program.

(4) The department shall administer its growth management act technical assistance so that smaller cities receive proportionately more assistance than larger cities or counties.

(5) Up to $700,000 of the general fund--private/local appropriation is provided for pass-through grants to cities in the central Puget Sound to plan for transfer of development rights receiving areas under the central Puget Sound regional transfer of development rights program.

(6) $1,800,000 of the home security fund--state appropriation is provided for transitional housing assistance or partial payments for rental assistance under the independent youth housing program.

(7) $5,000,000 of the home security fund--state appropriation is for the operation, repair, and staffing of shelters in the homeless family shelter program.

(8) $160,000 of the general fund--state appropriation for fiscal year 2012 and $160,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the Washington new Americans program.

(9) $260,000 of the general fund--state appropriation for fiscal year 2012 and $259,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the Washington asset building coalitions.

(10) $2,909,000 of the general fund--state appropriation for fiscal year 2012 and $2,908,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for associate development organizations.

(11) $2,000,000 of the community and economic development fee account appropriation is provided solely for the department of commerce for services to homeless families through the Washington families fund.

(12) $127,000 of the general fund--federal appropriation is provided solely for implementation of Substitute House Bill No. 1886 (Ruckelshaus center process). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(13) Up to $200,000 of the general fund--private/local appropriation is for a grant to the Washington tourism alliance for the maintenance of the Washington state tourism web site www.experiencewa.com and its related sub-sites. The department may transfer ownership of the web site and other tourism promotion assets and assign obligations to the Washington tourism alliance for purposes of tourism promotion throughout the state. The alliance may use the assets only in a manner consistent with the purposes for which they

were created. Any revenue generated from these assets must be used by the alliance for the sole purposes of statewide Washington tourism promotion. The legislature finds that the Washington tourism alliance, a not-for-profit, 501.c.6 organization established, funded, and governed by Washington tourism industry stakeholders to sustain destination tourism marketing across Washington, is an appropriate body to receive funding and assets from and assume obligations of the department for the purposes described in this section.

(14) $34,207,000 of the general fund--state appropriation for fiscal year 2012 and $49,028,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for housing assistance and basic essential needs assistance for disability lifeline-unemployable clients. The department of commerce shall contract for these services with counties or community-based organizations involved in providing housing supports to low-income persons. The department shall distribute funding through a formula based on the average number of eligible disability lifeline-unemployable clients residing in the county in the three proceeding fiscal years and shall update this formula annually. The department, counties, and community providers shall strive to minimize administrative costs associated with this funding.

(a) The counties or community-based organizations shall use a minimum of ten percent, but no more than fifteen percent, of the funds appropriated in this subsection to provide products, such as basic personal hygiene and cleaning products, that will help to meet basic essential needs of disability lifeline-unemployable clients. The counties or community-based organizations may distribute basic essential needs that are gender specific to disability lifeline-unemployable clients. Counties and community-based organizations shall distribute basic essential products in a manner that prevents abuse. To the greatest extent possible, the counties or community-based organizations shall leverage local or private funds, and volunteer support to acquire and distribute the basic essential products. Basic essential needs assistance shall not be provided in the form of cash assistance to disability lifeline-unemployable clients.

(b) The counties or community-based organizations have flexibility as funding allows in using the remaining funds appropriated in this

subsection to provide housing assistance to the maximum number of housing-vulnerable disability lifeline-unemployable clients who have incapacities likely to last for more than six months. The counties or community-based organizations shall report to the department the housing status of disability lifeline-unemployable clients who seek housing assistance and who seek assistance with essential needs.

(c) The department and the department of social and health services shall submit a joint report to the relevant fiscal and policy committees of the legislature by December 31, 2011, and annually thereafter. The initial report must describe the actions it has taken to achieve the objectives of this subsection and the amount of funds that are being used to administer the program. Subsequent reports must also include data on the number of disability lifeline-unemployable clients who have received housing assistance in the prior year and the housing outcomes of all disability lifeline-unemployable clients.

(15) $833,000 of the general fund--state appropriation for fiscal year 2012 and $832,000 of the general fund--state appropriation for fiscal year 2013 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.

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

General Fund--State Appropriation (FY 2012) $691,000
General Fund--State Appropriation (FY 2013) $749,000
Lottery Administrative Account--State Appropriation $50,000
TOTAL APPROPRIATION $1,490,000

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

General Fund--State Appropriation (FY 2012) $18,905,000
General Fund--State Appropriation (FY 2013) $19,101,000
General Fund--Federal Appropriation $31,581,000
General Fund--Private/Local Appropriation $1,270,000
State Auditing Services Revolving
Account--State Appropriation $25,000
Economic Development Strategic Reserve Account--
State Appropriation $289,000
Department of Personnel Services--State Appropriation . . . $9,069,000

Data Processing Revolving Account--State
Appropriation $5,208,000
Higher Education Personnel Services Account--State
Appropriation $1,533,000
TOTAL APPROPRIATION $86,981,000

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

(1) $12,000 of the general fund--state appropriation for fiscal year 2012 and $12,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for implementation of Substitute House Bill No. 1666 (higher education task force). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(2) $1,210,000 of the general fund--state appropriation for fiscal year 2012 and $1,210,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for implementation of House Bill No. 1178 (regulatory assistance office). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

(3) Funding provided in this section is sufficient for the office of financial management to conduct an impact and feasibility study to review possible implications of a direct deposit mandate for state employees. This mandate would require that state employees receive their paychecks through direct deposit. The impact and feasibility study will consider the potential impact on employees and potential liabilities for employers and include a recommendation as to whether the state should implement a direct deposit mandate. The study shall be due to the fiscal committees of the legislature by December 1, 2011.

(4) Funding provided in this section is sufficient for the office of financial management to conduct a feasibility study on the potential impacts of a system that would allow digital signatures to serve as valid employee signatures for the purpose of employment activities. In conducting this study, the office of financial management should assume that this system would be available to all state employees. The study must consider cost and other impacts to the state, including potential liabilities. The study shall be due to the fiscal committees of the legislature by December 1, 2011.

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

Administrative Hearings Revolving Account--State
Appropriation $34,810,000

The appropriation in this section is subject to the following conditions and limitations: $580,000 of the administrative hearings revolving account--state appropriation is provided solely to implement Substitute House Bill No. 1741 (temp assist/needy families). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

NEW SECTION. **Sec. 131. FOR THE WASHINGTON STATE LOTTERY**

Lottery Administrative Account--State
Appropriation $27,075,000

NEW SECTION. **Sec. 132. FOR THE COMMISSION ON HISPANIC AFFAIRS**

General Fund--State Appropriation (FY 2012) $233,000
General Fund--State Appropriation (FY 2013) $239,000
TOTAL APPROPRIATION $472,000

NEW SECTION. **Sec. 133. FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS**

General Fund--State Appropriation (FY 2012) $224,000
General Fund--State Appropriation (FY 2013) $225,000
TOTAL APPROPRIATION $449,000

NEW SECTION. **Sec. 134. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--OPERATIONS**

Department of Retirement Systems Expense
Account--State Appropriation $47,587,000

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

(1) $45,000 of the department of retirement systems--state appropriation is provided solely for the administrative costs associated with implementation of House Bill No. 1742 (alternate early retirement). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(2) $65,000 of the department of retirement systems--state appropriation is provided solely for the administrative costs

associated with implementation of House Bill No. 1625 (plan 3 default investment option). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(3) $67,000 of the department of retirement systems--state appropriation is provided solely for the administrative costs associated with implementation of House Bill No. 1981 (higher education retirement plan and postretirement employment). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(4) $15,000 of the department of retirement systems--state appropriation is provided solely for the administrative costs associated with implementation of House Bill No. 2021 (limiting annual increase amounts). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

NEW SECTION. **Sec. 135. FOR THE DEPARTMENT OF REVENUE**

General Fund--State Appropriation (FY 2012) $108,813,000
General Fund--State Appropriation (FY 2013) $109,088,000
Timber Tax Distribution Account--State Appropriation $6,090,000
Waste Reduction/Recycling/Litter Control--State
Appropriation $135,000
Waste Tire Removal Account--State Appropriation $2,000
State Toxics Control Account--State Appropriation $91,000
Oil Spill Prevention Account--State Appropriation $19,000
Master License Fund--State Appropriation $16,239,000
Vehicle License Fraud Account--State Appropriation $5,000
TOTAL APPROPRIATION $240,482,000

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

(1) $16,192,000 of the master license account appropriation is provided solely to implement House Bill No. 2017 (master license service program). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(2) $47,000 of the master license account appropriation is provided solely to implement Engrossed Substitute House Bill No. 1367 (for hire vehicles and operators). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(3) $88,000 of the general fund--state appropriation for fiscal year 2012 and $17,000 of the general fund--state appropriation for fiscal year 2013 are provided solely to implement Substitute House Bill No. 1666 (higher education funding task force). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

NEW SECTION. **Sec. 136. FOR THE STATE INVESTMENT BOARD**

State Investment Board Expense Account--State
Appropriation $29,858,000

The appropriation in this section is subject to the following conditions and limitations: The complete biennial salary survey required under RCW 43.33A.100 shall be provided to the office of financial management and to the fiscal committees of the legislature as part of the state investment board's biennial budget submittal, and shall include the total amount of compensation increases proposed, as well as recommended salary ranges.

NEW SECTION. **Sec. 137. FOR THE BOARD OF TAX APPEALS**

General Fund--State Appropriation (FY 2012) $1,275,000
General Fund--State Appropriation (FY 2013) $1,258,000
TOTAL APPROPRIATION $2,533,000

NEW SECTION. **Sec. 138. FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES**

OMWBE Enterprises Account--State Appropriation $3,368,000

NEW SECTION. **Sec. 139. FOR THE CONSOLIDATED TECHNOLOGY SERVICES AGENCY**

General Fund--State Appropriation (FY 2012) $3,000
General Fund--State Appropriation (FY 2013) $4,000
General Fund--Private/Local Appropriation $356,000
Data Processing Revolving Account--State
Appropriation $53,000
TOTAL APPROPRIATION $416,000

NEW SECTION. **Sec. 140. FOR THE INSURANCE COMMISSIONER**

General Fund--Federal Appropriation $4,474,000

Insurance Commissioners Regulatory Account--State
Appropriation $48,501,000
TOTAL APPROPRIATION $52,975,000

The appropriations in this section are subject to the following conditions and limitations: $42,000 of the insurance commissioner's regulatory account--state appropriation is provided solely to implement House Bill No. 1343 (insurance statutes). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

NEW SECTION. **Sec. 141. FOR THE BOARD OF ACCOUNTANCY**
Certified Public Accountants' Account--State
Appropriation $2,814,000

NEW SECTION. **Sec. 142. FOR THE FORENSIC INVESTIGATION COUNCIL**
Death Investigations Account--State Appropriation $280,000

The appropriation in this section is subject to the following conditions and limitations: $250,000 of the death investigations 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. 143. FOR THE HORSE RACING COMMISSION**
Horse Racing Commission Operating Account--State
Appropriation $4,029,000

NEW SECTION. **Sec. 144. FOR THE LIQUOR CONTROL BOARD**
Liquor Control Board Construction and Maintenance
Account--State Appropriation $3,817,000
Liquor Revolving Account--State Appropriation $175,444,000
General Fund--Federal Appropriation $120,000
TOTAL APPROPRIATION $179,381,000

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

NEW SECTION. **Sec. 145. FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

General Fund--Federal Appropriation $502,000
General Fund--Private/Local Appropriation $11,216,000
Public Service Revolving Account--State
Appropriation $31,114,000
Pipeline Safety Account--State Appropriation $3,228,000
Pipeline Safety Account--Federal Appropriation $2,887,000
TOTAL APPROPRIATION $48,947,000

NEW SECTION. **Sec. 146. FOR THE MILITARY DEPARTMENT**

General Fund--State Appropriation (FY 2012) $8,179,000
General Fund--State Appropriation (FY 2013) $8,213,000
General Fund--Federal Appropriation $160,163,000
Enhanced 911 Account--State Appropriation $46,619,000
Disaster Response Account--State Appropriation $18,018,000
Disaster Response Account--Federal Appropriation $66,266,000
Military Department Rent and Lease Account--State
Appropriation $615,000
Worker and Community Right-to-Know Account--State
Appropriation $2,178,000
TOTAL APPROPRIATION $310,251,000

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

(1) $18,018,000 of the disaster response account--state appropriation and $66,266,000 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 to the office of financial management and the legislative fiscal committees on October 1st and February 1st of each year 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 2011-2013 biennium based on current revenue and expenditure patterns.

(2) $75,000,000 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; and

(b) The department shall submit an annual 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; and incremental changes from the previous estimate.

NEW SECTION. **Sec. 147. FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS**

Volunteer Firefighters' and Reserve Officers'
Administrative Account--State Appropriation $1,069,000

NEW SECTION. **Sec. 148. FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

General Fund--State Appropriation (FY 2012) $2,410,000
General Fund--State Appropriation (FY 2013) $2,476,000
Higher Education Personnel Services Account--State
Appropriation $257,000
Department of Personnel Service Account--State
Appropriation $3,392,000
TOTAL APPROPRIATION $8,535,000

NEW SECTION. **Sec. 149. FOR THE DEPARTMENT OF HERITAGE, ARTS, AND CULTURE**

General Fund--State Appropriation (FY 2012) $1,841,000
General Fund--State Appropriation (FY 2013) $1,961,000
General Fund--Federal Appropriation $3,907,000
General Fund--Private/Local Appropriation $1,074,000
TOTAL APPROPRIATION $8,783,000

NEW SECTION. **Sec. 150. FOR THE DEPARTMENT OF ENTERPRISE SERVICES**

General Fund--State Appropriation (FY 2012) $4,067,000
General Fund--State Appropriation (FY 2013) $4,065,000
General Fund--Federal Appropriation $184,000
General Fund--Private/Local Appropriation $368,000

Building Code Council Account $1,183,000
Department of Personnel Service Account $10,029,000
General Administration Service Account $27,228,000
TOTAL APPROPRIATION $47,124,000

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

(1) $3,090,000 of the general fund--state appropriation for fiscal year 2012 and $3,090,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the payment of facilities and services charges, utilities and contracts charges, public and historic facilities charges, and capital projects surcharges allocable to the senate, house of representatives, statute law committee, and joint legislative systems committee. The department shall allocate charges attributable to these agencies among the affected revolving funds. The department shall maintain an interagency agreement with these agencies to establish performance standards, prioritization of preservation and capital improvement projects, and quality assurance provisions for the delivery of services under this subsection. The legislative agencies named in this subsection shall continue to enjoy all of the same rights of occupancy and space use on the capitol campus as historically established.

(2) In accordance with RCW 46.08.172 and 43.135.055, the department is authorized to increase parking fees in fiscal years 2012 and 2013 as necessary to meet the actual costs of conducting business.

(End of part)

PART II
HUMAN SERVICES

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

(1) The appropriations to the department of social and health services in this act shall be expended for the programs and in the amounts specified in this act. 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 health care authority and the department are 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 health care authority and the department may combine and transfer such medicaid funds appropriated under sections 204, 206, 208, and 213 of this act as

may be necessary to finance a unified health care plan for the WMIP program enrollment. The amount of funding assigned 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, times the number of clients enrolled. In implementing the WMIP, the health care authority and 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 enrolled individuals; 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 health care authority and 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) The legislature finds that medicaid payment rates, as calculated by the department pursuant to the appropriations in this act, bear a reasonable relationship to the costs incurred by efficiently and economically operated facilities for providing quality services and will be sufficient to enlist enough providers so that care and services are available to the extent that such care and services are available to the general population in the geographic area. The legislature finds that cost reports, payment data from the federal government, historical utilization, economic data, and clinical input constitute reliable data upon which to determine the payment rates.

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

General Fund--State Appropriation (FY 2012) $302,043,000
General Fund--State Appropriation (FY 2013) $304,033,000
General Fund--Federal Appropriation $473,006,000
General Fund--Private/Local Appropriation $1,389,000
Home Security Fund Appropriation $8,967,000
Domestic Violence Prevention Account--State
Appropriation $1,154,000
Education Legacy Trust Account--State Appropriation $725,000

TOTAL APPROPRIATION $1,091,317,000

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

(1) 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.

(2) $80,609,000 of the general fund--state appropriation for fiscal year 2012, $80,904,000 of the general fund--state appropriation for fiscal year 2013, and $74,555,000 of the general fund--federal appropriation are provided solely for the department to utilize performance-based contracts as required under RCW 74.13.360(1) to obtain services for children and families.

(a) The department shall contract with lead agencies to, within the scope of their allowable activities under the contract, provide services to safely reduce the number of children in out-of-home care, safely reduce the time spent in out-of-home care prior to achieving permanency, and safely reduce the number of children returning to out-of-home care following permanency. The services provided through the lead agencies must include, but are not limited to, pediatric interim care center and community-based services, behavioral rehabilitative services, crisis intervention services, family preservation services, intensive family preservation services, assessment services, evidence-based programs, and constellation hub models for foster care support.

(b) The department shall collect and monitor outcome and performance data associated with child and family safety and well-being. The department shall report outcome and performance data annually to the legislature. The first report shall be submitted to the relevant policy and fiscal committees of the legislature on December 1, 2011. The report shall include, but is not limited to, data on the following outcomes:

(i) Percent of children that remain safely in their homes without a substantiated maltreatment report while their case is open for services;

(ii) Percent of children that do not have a substantiated maltreatment report within six months of case closures;

(iii) Percent of children in out-of-home care with two or fewer placements in the first year;

(iv) Percent of children placed in out-of-home care with no placement disruptions in the last 12 months, 24 months, and 36 months;

(v) Reduction in the total number of care days for all children placed in out-of-home care;

(vi) Reduction in the median length of stay for children intensive treatment settings; and

(vii) Percent and number of children who reenter out-of-home care following an exit from care.

(c) In addition to outcome data, the report shall include information related to:

(i) The number of children and families served;

(ii) The type of services provided, including the extent to which evidence-based services and promising practices are being used;

(iii) The duration of the services provided;

(iv) The cost of services provided during the reporting period;

(v) Any changes in racial and ethnic disproportionality among the children served by the lead agencies; and

(vi) The results of stakeholder and tribal partners' satisfaction surveys.

(d) The initial report also shall include lead agency start-up costs incurred during the first six months of state fiscal year 2012.

(3) $36,000 of the general fund--state appropriation for fiscal year 2012, $36,000 of the general fund--state appropriation for fiscal year 2013, and $32,000 of the general fund--federal appropriation are provided solely for the implementation of chapter 465, Laws of 2007 (child welfare).

(4) $176,000 of the general fund--state appropriation for fiscal year 2012, $177,000 of the general fund--state appropriation for fiscal year 2013, $656,000 of the general fund--private/local appropriation, $253,000 of the general fund--federal appropriation, and $725,000 of the education legacy trust account--state appropriation are provided solely for children's administration to contract with an educational advocacy provider with expertise in foster care educational outreach. The amounts in this subsection are provided solely for contracted education coordinators to assist foster children in succeeding in K-12 and higher education systems and to assure a focus on education during

the transition to performance based contracts. Funding shall be prioritized to regions with high numbers of foster care youth and/or regions where backlogs of youth that have formerly requested educational outreach services exist. The department shall utilize private matching funds to maintain educational advocacy services.

(5) $670,000 of the general fund--state appropriation for fiscal year 2012 and $670,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for services provided through children's advocacy centers.

(6) To ensure expenditures remain within available funds appropriated in this section as required by RCW 74.13A.005 and 74.13A.020, the secretary shall not set the amount of any adoption assistance payment or payments, made pursuant to RCW 26.33.320 and 74.13A.005 through 74.13A.080, to more than ninety percent of the foster care maintenance payment for that child had he or she remained in a foster family home during the same period. This subsection does not apply to adoption assistance agreements in existence on the effective date of this section.

(7) $67,000 of the general fund--state appropriation for fiscal year 2012, $67,000 of the general fund--state appropriation for fiscal year 2013, and $8,967,000 of the home security fund--state appropriation are provided solely for the department to contract for services pursuant to RCW 13.32A.030 and 74.15.220. The department shall contract and collaborate with service providers in a manner that maintains the availability and geographic representation of secure and semi-secure crisis residential centers and HOPE centers. To achieve efficiencies and increase utilization, the department shall allow the co-location of these centers, except that a youth may not be placed in a secure facility or the secure portion of a co-located facility except as specifically authorized by chapter 13.32A RCW.

(8) $47,000 of the general fund--state appropriation for fiscal year 2012, $14,000 of the general fund--state appropriation for fiscal year 2013, and $40,000 of the general fund--federal appropriation are provided solely to implement Substitute House Bill No. 1697 (dependency system). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

(9) $564,000 of the general fund--federal appropriation is provided

solely to implement Second Substitute House Bill No. 1128 (extended foster care). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(10) The appropriations in this section reflect reductions in the appropriations for the children's administration administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

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

General Fund--State Appropriation (FY 2012) $88,859,000
General Fund--State Appropriation (FY 2013) $88,902,000
General Fund--Federal Appropriation $702,000
General Fund--Private/Local Appropriation $1,912,000
Washington Auto Theft Prevention Authority Account--
State Appropriation $196,000
Juvenile Accountability Incentive Account--Federal
Appropriation $2,805,000
TOTAL APPROPRIATION $183,376,000

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

(1) $331,000 of the general fund--state appropriation for fiscal year 2012 and $331,000 of the general fund--state appropriation for fiscal year 2013 are 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) $2,716,000 of the general fund--state appropriation for fiscal year 2012 and $2,716,000 of the general fund--state appropriation for fiscal year 2013 are 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) $3,482,000 of the general fund--state appropriation for fiscal year 2012 and $3,482,000 of the general fund--state appropriation for fiscal year 2013 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) $1,130,000 of the general fund--state appropriation for fiscal year 2012 and $1,130,000 of the general fund--state appropriation for fiscal year 2013 are 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) $2,873,000 of the general fund--state appropriation for fiscal year 2012 and $2,873,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for grants to county juvenile courts for the following programs identified by the Washington state institute for public policy (institute) in its October 2006 report: "Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs and Crime Rates": Functional family therapy, multi-systemic therapy, aggression replacement training and interagency coordination programs, or other programs with a positive benefit-cost finding in the institute's report. County juvenile courts shall apply to the juvenile rehabilitation administration for funding for program-specific participation and the administration shall provide grants to the courts consistent with the per-participant treatment costs identified by the institute.

(6) $1,287,000 of the general fund--state appropriation for fiscal year 2012 and $1,287,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for expansion of the following treatments and therapies in juvenile rehabilitation administration

programs identified by the Washington state institute for public policy in its October 2006 report: "Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs and Crime Rates": Multidimensional treatment foster care, family integrated transitions, and aggression replacement training. The administration may concentrate delivery of these treatments and therapies at a limited number of programs to deliver the treatments in a cost-effective manner.

(7)(a) The juvenile rehabilitation administration shall administer a block grant, rather than categorical funding, of consolidated juvenile service funds, community juvenile accountability act grants, the chemical dependency disposition alternative funds, the mental health disposition alternative, and the sentencing disposition alternative for the purpose of serving youth adjudicated in the juvenile justice system. In making the block grant, the juvenile rehabilitation administration shall follow the following formula and will prioritize evidence-based programs and disposition alternatives and take into account juvenile courts program-eligible youth in conjunction with the number of youth served in each approved evidence-based program or disposition alternative: (i) Thirty-seven and one-half percent for the at-risk population of youth ten to seventeen years old; (ii) fifteen percent for moderate and high-risk youth; (iii) twenty-five percent for evidence-based program participation; (iv) seventeen and one-half percent for minority populations; (v) three percent for the chemical dependency disposition alternative; and (vi) two percent for the mental health and sentencing dispositional alternatives. Funding for the special sex offender disposition alternative (SSODA) shall not be included in the block grant, but allocated on the average daily population in juvenile courts. Funding for the evidence-based expansion grants shall be excluded from the block grant formula. Funds may be used for promising practices when approved by the juvenile rehabilitation administration and juvenile courts, through the community juvenile accountability act committee, based on the criteria established in consultation with Washington state institute for public policy and the juvenile courts.

(b) The juvenile rehabilitation administration shall phase the implementation of the formula provided in subsection (1) of this

section by including a stop-loss formula of five percent in fiscal year 2012 and five percent in fiscal year 2013.

(c) The juvenile rehabilitation administration and the juvenile courts shall establish a block grant funding formula oversight committee with equal representation from the juvenile rehabilitation administration and the juvenile courts. The purpose of this committee is to assess the ongoing implementation of the block grant funding formula, utilizing data-driven decision making and the most current available information. The committee will be cochaired by the juvenile rehabilitation administration and the juvenile courts, who will also have the ability to change members of the committee as needed to achieve its purpose. Initial members will include one juvenile court representative from the finance committee, the community juvenile accountability act committee, the risk assessment quality assurance committee, the executive board of the Washington association of juvenile court administrators, the Washington state center for court research, and a representative of the superior court judges association; two representatives from the juvenile rehabilitation administration headquarters program oversight staff, two representatives of the juvenile rehabilitation administration regional office staff, one representative of the juvenile rehabilitation administration fiscal staff and a juvenile rehabilitation administration division director. The committee may make changes to the formula categories other than the evidence-based program and disposition alternative categories if it is determined the changes will increase statewide service delivery or effectiveness of evidence-based program or disposition alternative resulting in increased cost benefit savings to the state. Long-term cost benefit must be considered. Percentage changes may occur in the evidence-based program or disposition alternative categories of the formula should it be determined the changes will increase evidence-based program or disposition alternative delivery and increase the cost benefit to the state. These outcomes will also be considered in determining when evidence-based expansion or special sex offender disposition alternative funds should be included in the block grant or left separate.

(d) The juvenile courts and administrative office of the courts shall be responsible for collecting and distributing information and

providing access to the data systems to the juvenile rehabilitation administration and the Washington state institute for public policy related to program and outcome data. The juvenile rehabilitation administration and the juvenile courts will work collaboratively to develop program outcomes that reinforce the greatest cost benefit to the state in the implementation of evidence-based practices and disposition alternatives.

(8) The legislature finds that regular review of comparative juvenile court data is important to juvenile courts' quality assurance and program improvement efforts. By December 1, 2011, the joint legislative audit and review committee shall recommend to the fiscal committees of the legislature a format of data sharing between the juvenile rehabilitation administration and the juvenile courts, including reporting periods and content, in order to optimize quality assurance and program outcomes.

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 2012) $321,863,000
General Fund--State Appropriation (FY 2013) $326,960,000
General Fund--Federal Appropriation $456,465,000
General Fund--Private/Local Appropriation $17,604,000
Hospital Safety Net Assessment Fund--State
Appropriation $6,802,000
TOTAL APPROPRIATION $1,129,694,000

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

(a) ($109,342,000) of the general fund--state appropriation for fiscal year 2012 and ($109,341,000) of the general fund--state appropriation for fiscal year 2013 are provided solely for persons and services not covered by the medicaid program. This is a reduction of $4,348,000 each fiscal year from the nonmedicaid funding that was allocated for expenditure by regional support networks during fiscal year 2011 prior to supplemental budget reductions. This $4,348,000 reduction shall be distributed among regional support networks proportional to each network's share of the total state population. To the extent possible, levels of regional support network spending shall

be maintained in the following priority order: (i) Crisis and commitment services; (ii) community inpatient services; and (iii) residential care services, including personal care and emergency housing assistance.

(b) $6,590,000 of the general fund--state appropriation for fiscal year 2012, $6,590,000 of the general fund--state appropriation for fiscal year 2013, and $7,620,000 of the general fund--federal appropriation are provided solely for the department and regional support networks to continue to contract for implementation of high-intensity programs for assertive community treatment (PACT) teams. In determining the proportion of medicaid and nonmedicaid funding provided to regional support networks with PACT teams, the department shall consider the differences between regional support networks in the percentages of services and other costs associated with the teams that are not reimbursable under medicaid. The department may allow regional support networks which have nonmedicaid reimbursable costs that are higher than the nonmedicaid allocation they receive under this section to supplement these funds with local dollars or funds received under section 204(1)(a) of this act. The department and regional support networks shall maintain consistency with all essential elements of the PACT evidence-based practice model in programs funded under this section.

(c) $5,850,000 of the general fund--state appropriation for fiscal year 2012, $5,850,000 of the general fund--state appropriation for fiscal year 2013, and $1,300,000 of the general fund--federal appropriation are provided solely for the western Washington regional support networks to provide either community- or hospital campus-based services for persons who require the level of care previously provided by the program for adaptive living skills (PALS) at western state hospital.

(d) The number of nonforensic beds allocated for use by regional support networks at eastern state hospital shall be 192 per day. The number of nonforensic beds allocated for use by regional support networks at western state hospital shall be 557 per day.

(e) 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.

(f) $4,582,000 of the general fund--state appropriation for fiscal year 2012 and $4,582,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for mental health services for mentally ill offenders while confined in a county or city jail and for facilitating access to programs that offer mental health services upon release from confinement.

(g) The department is authorized to continue to contract directly, rather than through contracts with regional support networks, for children's long-term inpatient facility services.

(h) $750,000 of the general fund--state appropriation for fiscal year 2012 and $750,000 of the general fund--state appropriation for fiscal year 2013 are provided solely to continue performance-based incentive contracts to provide appropriate community support services for individuals with severe mental illness who were discharged from the state hospitals as part of the expanding community services initiative. These funds will be used to enhance community residential and support services provided by regional support networks through other state and federal funding.

(i) $1,125,000 of the general fund--state appropriation for fiscal year 2012 and $1,125,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the Spokane regional support network to implement services to reduce utilization and the census at eastern state hospital. Such services shall include:

(i) High intensity treatment team for persons who are high utilizers of psychiatric inpatient services, including those with co-occurring disorders and other special needs;

(ii) Crisis outreach and diversion services to stabilize in the community individuals in crisis who are at risk of requiring inpatient care or jail services;

(iii) Mental health services provided in nursing facilities to individuals with dementia, and consultation to facility staff treating those individuals; and

(iv) Services at the sixteen-bed evaluation and treatment facility.

At least annually, the Spokane regional support network shall

assess the effectiveness of these services in reducing utilization at eastern state hospital, identify services that are not optimally effective, and modify those services to improve their effectiveness.

(j) $1,529,000 of the general fund--state appropriation for fiscal year 2012 and $1,529,000 of the general fund--state appropriation for fiscal year 2013 are provided solely to reimburse Pierce and Spokane counties for the cost of conducting 180-day commitment hearings at the state psychiatric hospitals.

(k) Regional support networks may use local funds to earn additional federal medicaid match, provided the locally matched rate does not exceed the upper-bound of their federally allowable rate range, and provided that the enhanced funding is used only to provide medicaid state plan or waiver services to medicaid clients. Additionally, regional support networks may use a portion of the state funds allocated in accordance with (a) of this subsection to earn additional medicaid match, but only to the extent that the application of such funds to medicaid services does not diminish the level of crisis and commitment, community inpatient, residential care, and outpatient services presently available to persons not eligible for medicaid.

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2012) $121,371,000
General Fund--State Appropriation (FY 2013) $121,215,000
General Fund--Federal Appropriation $152,593,000
General Fund--Private/Local Appropriation $65,834,000
TOTAL APPROPRIATION $461,013,000

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

(a) The state psychiatric 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) $231,000 of the general fund--state appropriation for fiscal year 2012 and $231,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for a community partnership between western state hospital and the city of Lakewood to support community policing efforts in the Lakewood community surrounding western state hospital. The amounts provided in this subsection (2)(b)

are for the salaries, benefits, supplies, and equipment for one full-time investigator, one full-time police officer, and one full-time community service officer at the city of Lakewood.

(c) $45,000 of the general fund--state appropriation for fiscal year 2012 and $45,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for payment to the city of Lakewood for police services provided by the city at western state hospital and adjacent areas.

(3) SPECIAL PROJECTS

General Fund--State Appropriation (FY 2012) $1,459,000
General Fund--State Appropriation (FY 2013) $1,464,000
General Fund--Federal Appropriation $2,682,000
General Fund--Private/Local Appropriation $700,000
TOTAL APPROPRIATION $6,305,000

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

(a) $1,161,000 of the general fund--state appropriation for fiscal year 2012 and $1,161,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for children's evidence based mental health services. Funding is sufficient to continue serving children at the same levels as fiscal year 2009.

(b) $700,000 of the general fund--private/local appropriation is provided solely for the University of Washington's evidence based practice institute which supports the identification, evaluation, and implementation of evidence-based or promising practices for serving children and youth with mental health disorders. The department shall enter into an interagency agreement with the office of the attorney general for expenditure of $700,000 of the state's proceeds of the *cy pres* settlement in *State of Washington v. AstraZeneca* (Seroquel) for this purpose.

(4) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2012) $4,193,000
General Fund--State Appropriation (FY 2013) $4,034,000
General Fund--Federal Appropriation $7,125,000
General Fund--Private/Local Appropriation $981,000
TOTAL APPROPRIATION $16,333,000

(a) In accordance with RCW 43.20B.110, 43.135.055, and 71.24.035, the department is authorized to increase license and certification fees in fiscal years 2012 and 2013 as necessary to support the costs of the regulatory program. The department's fee schedule shall have differential rates for providers with proof of accreditation from organizations that the department has determined to have substantially equivalent standards to those of the department, including but not limited to the joint commission on accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, and the council on accreditation. To reflect the reduced costs associated with regulation of accredited programs, the department's fees for organizations with such proof of accreditation must reflect the lower costs of licensing for these programs than for other organizations which are not accredited.

(b) $53,000 of the general fund--private/local appropriation is provided solely for implementation of Substitute House Bill No. 1170 (triage facilities). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

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

(1) COMMUNITY SERVICES

General Fund--State Appropriation (FY 2012) $421,548,000
General Fund--State Appropriation (FY 2013) $431,436,000
General Fund--Federal Appropriation $736,939,000
General Fund--Private/Local Appropriation $565,000
TOTAL APPROPRIATION $1,590,488,000

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

(a) Individuals receiving services 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.

(b) Amounts appropriated in this section reflect a reduction to funds appropriated for in-home care. The department shall reduce the number of in-home hours authorized. The reduction shall be scaled based on the acuity level of care recipients. The largest hour

reductions shall be to lower acuity patients and the smallest hour reductions shall be to higher acuity patients.

(c) Amounts appropriated in this section are sufficient to develop and implement the use of a consistent, statewide outcome-based vendor contract for employment and day services by July 1, 2012. The rates paid to vendors under this contract shall also be made consistent. In its description of activities the agency shall include activity listings and dollars appropriated for: Employment services, day services, child development services and county administration of services to the developmentally disabled. The department shall begin reporting to the office of financial management on these activities beginning in fiscal year 2010.

(d) $1,159,000 of the general fund--state appropriation for fiscal year 2012, $1,242,000 of the general fund--state appropriation for fiscal year 2013, and $2,400,000 of the general fund--federal appropriation are provided solely for state contributions for individual provider health care benefits. Pursuant to the collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270, the state shall contribute to the multiemployer health benefits trust fund $1.96 per paid hour worked by individual providers.

(e) $1,408,000 of the general fund--state appropriation for fiscal year 2012, $1,502,000 of the general fund--state appropriation for fiscal year 2013, and $2,909,000 of the general fund--federal appropriation are provided solely for home care agencies to purchase health coverage for home care providers. In order to negotiate the most comprehensive health benefits package for its employees, each agency may determine benefit levels according to the hours an employee works to provide state-funded personal care. At a minimum, employees who work 35 hours a week or greater must receive a comprehensive medical benefit. The department shall not pay an agency for benefits provided to an employee who otherwise receives health care coverage through other family members, other employment-based coverage, or military or veteran's coverage. The department shall require annually, each home care agency to review each of its employee's available health coverage and to provide a written declaration to the department verifying that health benefits purchased with public funds are solely

for employees that do not have other available coverage. Home care agencies may determine a reasonable employee copremium not to exceed 20 percent of the total benefit cost.

(f) $1,127,000 of the general fund--state appropriation for fiscal year 2012, $1,199,000 of the general fund--state appropriation for fiscal year 2013, and $2,322,000 of the general fund--federal appropriation are provided solely for the state's contribution to the training partnership, as provided in RCW 74.39A.360, for instructional costs associated with the training of individual providers. House Bill No. 1548 and Senate Bill No. 5473 (long-term care worker requirements) make statutory changes to the increased training requirements and therefore the state shall contribute to the partnership $0.17 per paid hour worked by all home care workers. This amount is pursuant to the collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270. Expenditures for the purposes specified in this subsection shall not exceed the amounts provided in this subsection.

(g) $475,000 of the general fund--state appropriation for fiscal year 2012, $490,000 of the general fund--state appropriation for fiscal year 2013, and $967,000 of the general fund--federal appropriation are provided solely to compensate individual providers who are not related to their clients and agency providers for time required to participate in enhanced mandatory basic training.

(h)(i) Within the amounts appropriated in this section, the department shall revise the current working age adult policy to be a voluntary program that provides greater choice for clients between employment and other appropriate day activities. Clients age 21 and older who are receiving services through a home and community-based medicaid waiver shall be offered a choice of employment, community access, or a day services option. The department shall inform clients and their legal representatives of all available options for employment and day services. Information provided to the client and the client's legal representative shall include the types of activities each service option provides, and the amount, scope, and duration of service for which the client would be eligible under each service option. An individual client may be authorized for only one service option from employment services, community access services, or a day services.

Clients may not participate in more than one of these services at any given time.

(ii) The department shall work with the center for medicare and medicaid services to incorporate a day services option into the home and community-based medicaid waivers. The day services option shall:

(A) Be designed to promote positive growth,

(B) Provide activities that foster learning opportunities, self determination, and independent skills and abilities, and

(C) Facilitate opportunities for socialization and leisure such as music therapy, working with computers, social activities, and interaction with therapy animals.

(iii) The department shall lower the expenditure limits for employment services in the basic plus, CORE, and community protection waivers. In administering these expenditure limitations, the department shall negotiate with counties to limit direct client impacts.

(iv) $11,030,000 of the general fund--state appropriation for fiscal year 2012, $11,030,000 of the general fund--state appropriation for fiscal year 2013, and $18,770,000 of the general fund--federal appropriation are provided solely for a day services option for medicaid home and community-based waiver clients who have a developmental disability. Amounts in this subsection (h)(iv) are sufficient to provide a day service option to clients with developmental disabilities who are on a medicaid home and community-based services waiver, but are not receiving employment services.

(v) The appropriation in this subsection includes funding to provide employment, community access, or a day services option to 168 young adults with developmental disabilities living with their family who need employment opportunities and assistance after high school graduation.

(i) $1,098,000 of the general fund--state appropriation for fiscal year 2012, $1,097,000 of the general fund--state appropriation for fiscal year 2013, and $2,195,000 of the general fund--federal appropriation are provided solely to provide dental coverage through the aging and disability services administration's home and community-based waiver programs. Services shall include preventive, routine, and emergent dental care for eligible long-term care clients and clients with developmental disabilities.

(j) $75,000 of the general fund--state appropriation for fiscal year 2012 and $75,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the restoration of direct support to local organizations that utilize parent-to-parent networks and communication to promote access and quality of care for individuals with developmental disabilities and their families.

(k) In accordance with Substitute House Bill No. 1277 (licensed settings for vulnerable adults) the department is authorized to increase adult family home fees in fiscal year 2012 as necessary to meet the actual costs of conducting licensure, inspection, and regulatory programs.

(i) The current annual renewal license fee for adult family homes shall be increased to $386 per bed beginning in fiscal year 2012 and assumes $565,000 of the general fund--private/local appropriation.

(ii) Adult family homes shall receive a corresponding vendor rate increase of $1.02 per medicaid patient day to cover the license fee increase for publicly funded beds.

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2012) $84,488,000
General Fund--State Appropriation (FY 2013) $80,686,000
General Fund--Federal Appropriation $148,654,000
General Fund--Private/Local Appropriation $21,607,000
TOTAL APPROPRIATION $335,435,000

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

(a) Individuals receiving services 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.

(b) $721,000 of the general fund--state appropriation for fiscal year 2012 and $721,000 of the general fund--state appropriation for fiscal year 2013 are for the department to fulfill its contracts with the school districts under chapter 28A.190 RCW to provide transportation, building space, and other support services as are reasonably necessary to support the educational programs of students living in residential habilitation centers.

(c) In addition to other reductions, the appropriations in this subsection reflect reductions targeted specifically to state government

administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(d) The state is consolidating the number of institutions it operates to care for clients with developmental disabilities. The department shall cease new placements at Francis Haddon Morgan Center and Yakima Valley School and relocate current clients to alternative placements. In doing so, the department shall conduct individual assessments, and work closely with the clients and the clients' legal representatives to develop individual transition and support plans to help ensure the clients' physical and mental health, welfare, and safety through this process.

(3) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2012) $1,537,000
General Fund--State Appropriation (FY 2013) $1,530,000
General Fund--Federal Appropriation $1,562,000
TOTAL APPROPRIATION $4,629,000

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

General Fund--State Appropriation (FY 2012) $779,376,000
General Fund--State Appropriation (FY 2013) $804,659,000
General Fund--Federal Appropriation $1,680,504,000
General Fund--Private/Local Appropriation $34,247,000
Traumatic Brain Injury Account--State Appropriation $3,394,000
Nursing Facility Quality Assurance Account--State
Appropriation $88,000,000
TOTAL APPROPRIATION $3,390,180,000

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

(1) For purposes of implementing chapter 74.46 RCW, the weighted average nursing facility payment rate shall not exceed $170.37 for fiscal year 2012 and shall not exceed $171.43 for fiscal year 2013, including the rate add-ons described in (a) and (b) of this subsection. However, if the waiver requested from the federal centers for medicare and medicaid services in relation to the safety net assessment created by House Bill No. 1722 or Senate Bill No. 5581 (nursing home safety net

assessment) is for any reason not approved and implemented, the weighted average nursing facility payment rate shall not exceed $159.87 for fiscal year 2012 and shall not exceed $160.93 for fiscal year 2013. There will be no adjustments for economic trends and conditions in fiscal years 2012 and 2013. The economic trends and conditions factor or factors defined in the biennial appropriations act shall not be compounded with the economic trends and conditions factor or factors defined in any other biennial appropriations acts before applying it to the component rate allocations established in accordance with chapter 74.46 RCW. When no economic trends and conditions factor for either fiscal year is defined in a biennial appropriations act, no economic trends and conditions factor or factors defined in any earlier biennial appropriations act shall be applied solely or compounded to the component rate allocations established in accordance with chapter 74.46 RCW.

(a) Within the funds provided, the department shall continue to provide an add-on per medicaid resident day per facility not to exceed $1.57. The add-on shall be used to increase wages, benefits, and/or staffing levels for certified nurse aides; or to increase wages and/or benefits for dietary aides, housekeepers, laundry aides, or any other category of worker whose statewide average dollars-per-hour wage was less than $15 in calendar year 2008, according to cost report data. The add-on may also be used to address resulting wage compression for related job classes immediately affected by wage increases to low-wage workers. The department shall continue reporting requirements and a settlement process to ensure that the funds are spent according to this subsection.

(b) The department shall do a comparative analysis of the facility based payment rates calculated on July 1, 2011, using the payment methodology defined in Substitute House Bill No. 1249 (nursing home payment methodology), to the facility-based payment rates calculated to produce the fiscal year 2010 weighted average nursing facility payment rate published in chapter 37, Laws of 2010. If the former is smaller than the latter, the difference shall be provided to the individual nursing facilities as an add-on payment per medicaid resident day.

(c) The department shall provide a medicaid rate add-on to reimburse the medicaid share of the skilled nursing facility safety net

assessment as a medicaid allowable cost. The nursing facility safety net rate add-on may not be included in the calculation of the annual statewide weighted average nursing facility payment rate.

(d) If the waiver requested from the federal centers for medicare and medicaid services in relation to the safety net assessment created by House Bill No. 1722 or Senate Bill No. 5581 (nursing home safety net assessment) is for any reason not approved and implemented, subsections (b) and (c) of this subsection do not apply.

(2) After examining actual nursing facility cost information, the legislature finds that the medicaid nursing facility rates calculated pursuant to Substitute House Bill No. 1249 (nursing facility medicaid payments) provides sufficient reimbursement to efficient and economically operating nursing facilities and bears a reasonable relationship to costs.

(3) In accordance with chapter 74.46 RCW, the department shall issue no additional certificates of capital authorization for fiscal year 2012 and no new certificates of capital authorization for fiscal year 2013 and shall grant no rate add-ons to payment rates for capital improvements not requiring a certificate of need and a certificate of capital authorization for fiscal years 2012 and 2013.

(4) The long-term care program may develop and pay enhanced rates for exceptional care to nursing homes for persons with traumatic brain injuries who are transitioning from hospital care. The cost per patient day for caring for these clients in a nursing home setting may be equal to or less than the cost of caring for these clients in a hospital setting.

(5) Amounts appropriated in this section reflect a reduction to funds appropriated for in-home care. The department shall reduce the number of in-home hours authorized. The reduction shall be scaled based on the acuity level of care recipients. The largest hour reductions shall be to lower acuity patients and the smallest hour reductions shall be to higher acuity patients.

(6) $2,090,000 of the general fund--state appropriation for fiscal year 2012, $2,163,000 of the general fund--state appropriation for fiscal year 2013, and $4,183,000 of the general fund--federal appropriation are provided solely for state contributions for individual provider health care benefits. Pursuant to the collective bargaining agreement negotiated with the exclusive bargaining

representative of individual providers established under RCW 74.39A.270, the state shall contribute to the multiemployer health benefits trust fund $1.96 per paid hour worked by individual providers.

(7) $12,671,000 of the general fund--state appropriation for fiscal year 2012, $13,512,000 of the general fund--state appropriation for fiscal year 2013, and $26,182,000 of the general fund--federal appropriation are provided solely for home care agencies to purchase health coverage for home care providers. In order to negotiate the most comprehensive health benefits package for its employees, each agency may determine benefit levels according to the hours an employee works to provide state-funded personal care. At a minimum, employees who work 35 hours a week or greater must receive a comprehensive medical benefit. The department shall not pay an agency for benefits provided to an employee who otherwise receives health care coverage through other family members, other employment-based coverage, or military or veteran's coverage. The department shall require annually, each home care agency to review each of its employee's available health coverage and to provide a written declaration to the department verifying that health benefits purchased with public funds are solely for employees that do not have other available coverage. Home care agencies may determine a reasonable employee copremium not to exceed 20 percent of the total benefit cost.

(8) $2,063,000 of the general fund--state appropriation for fiscal year 2012, $2,195,000 of the general fund--state appropriation for fiscal year 2013, and $4,260,000 of the general fund--federal appropriation are provided solely for the state's contribution to the training partnership, as provided in RCW 74.39A.360, for instructional costs associated with the training of individual providers. House Bill No. 1548 and Senate Bill No. 5473 (long-term care worker requirements) make statutory changes to the increased training requirements and therefore the state shall contribute to the partnership $0.17 per paid hour worked by all home care workers. This amount is pursuant to the collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270. Expenditures for the purposes specified in this subsection shall not exceed the amounts provided in this subsection.

(9) $1,775,000 of the general fund--state appropriation for fiscal year 2012, $1,866,000 of the general fund--state appropriation for

fiscal year 2013, and $3,642,000 of the general fund--federal appropriation are provided solely to compensate individual providers who are not related to their clients and agency providers for time required to participate in enhanced mandatory basic training.

(10) Individuals receiving services 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.

(11) $3,210,000 of the general fund--state appropriation for fiscal year 2012, $3,396,000 of the general fund--state appropriation for fiscal year 2013, and $6,606,000 of the general fund--federal appropriation are provided solely to provide dental coverage through the aging and disability services administration's home and community-based waiver programs. Services shall include preventive, routine, and emergent dental care for eligible long-term care clients and clients with developmental disabilities.

(12) The department shall eliminate the adult day health program under the state plan 1915(i) option and shall reestablish it under the long-term care home and community-based waiver. The department shall also establish a day services option under the developmental disabilities home and community-based service waivers.

(13) $4,588,000 of the general fund--state appropriation for fiscal year 2012, $4,559,000 of the general fund--state appropriation for fiscal year 2013, and $9,237,000 of the general fund--federal appropriation are provided solely for the continued operation of community residential and support services for persons who are older adults or who have co-occurring medical and behavioral disorders and who have been discharged or diverted from a state psychiatric hospital. These funds shall be used to serve individuals whose treatment needs constitute substantial barriers to community placement, who no longer require active psychiatric treatment at an inpatient hospital level of care, and who no longer meet the criteria for inpatient involuntary commitment.

(14) $1,840,000 of the general fund--state appropriation for fiscal year 2012 and $1,877,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for operation of the volunteer services program. Funding shall be prioritized towards serving

populations traditionally served by long-term care services to include senior citizens and persons with disabilities.

(15) In accordance with Substitute House Bill No. 1277 (licensed settings for vulnerable adults) nursing facility and adult family home fees are increased in fiscal year 2012 as necessary to meet the actual costs of conducting licensure, inspection, and regulatory programs.

(a) The current annual renewal license fee for nursing facilities shall be increased to $359 per bed beginning in fiscal year 2012 and assumes $517,000 of the general fund--private/local appropriation. Nursing facilities shall receive a vendor rate increase of $0.08 per medicaid patient day to cover the license fee increase for publicly funded beds.

(b) The current annual renewal license fee for adult family homes shall be increased to $386 per bed beginning in fiscal year 2012 and assumes $12,273,000 of the general fund--private/local appropriation. Adult family homes shall receive a corresponding vendor rate increase of $1.02 per medicaid patient day to cover the license fee increase for publicly funded beds.

(16) $3,316,000 of the traumatic brain injury account--state appropriation is provided solely to continue services for persons with traumatic brain injury (TBI) as defined in Substitute House Bill No. 1614 (traumatic brain injury strategic partnership).

(17) The department is authorized to place long-term care clients residing in nursing homes and paid for with state only funds into less restrictive community care settings while continuing to meet the client's care needs.

(18) $30,000 of the general fund--state appropriation for fiscal year 2012 and $30,000 of the general fund--federal appropriation are provided solely to implement Engrossed Second Substitute House Bill No. 1901 (reshaping the delivery of long-term care services). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

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

General Fund--State Appropriation (FY 2012) $507,478,000
General Fund--State Appropriation (FY 2013) $505,091,000
General Fund--Federal Appropriation $1,119,538,000

General Fund--Private/Local Appropriation $30,592,000
TOTAL APPROPRIATION $2,162,699,000

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

(1) $297,623,000 of the general fund--state appropriation for fiscal year 2012, $297,623,000 of the general fund--state appropriation for fiscal year 2013, net of child support pass-through recoveries, and $675,154,000 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 may provide assistance using state-only funds for families eligible for temporary assistance for needy families.

(a) Within the amounts provided for WorkFirst in this subsection, the department shall continue to implement WorkFirst program improvements that are designed to achieve progress against outcome measures specified in RCW 74.08A.410.

(b) The department shall report quarterly to the legislative fiscal committees:

(i) The outcome data regarding job retention and wage progression to appropriate fiscal and policy committees of the legislature regarding families who leave assistance, measured after 12 months, 24 months, and 36 months and the percentage of families who have returned to temporary assistance for needy families after 12 months, 24 months, and 36 months;

(ii) The spending plan for the WorkFirst programs. The plan shall identify how spending levels in the 2011-2013 biennium will be adjusted to stay within available federal grant levels and the appropriated state-fund levels;

(iii) Information regarding the amount expended from general fund--state and general fund--federal by activity, maintenance of effort allotments, expenditure amounts, and caseloads for the WorkFirst program to the legislative fiscal committees.

(c) The department may establish a career services work transition program.

(2) $28,272,000 of the general fund--state appropriation for fiscal year 2012 and $21,494,000 of the general fund--state appropriation for fiscal year 2013, in addition to supplemental security income (SSI) recoveries, are provided solely for cash assistance and other services

to recipients in the disability lifeline program. Of the amounts in this subsection, $10,901,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for providing cash assistance to disability lifeline-unemployable clients through September 30, 2011.

(a) The department shall determine eligibility for disability lifeline applicants.

(b) When determining financial eligibility for the disability lifeline program, the department shall use the disability lifeline payment standard in effect on December 31, 2010.

(c) For persons who meet the disability lifeline incapacity and financial eligibility requirements and are not likely to be eligible for federal supplemental security income benefits, the department shall determine whether the person's incapacity is likely to last for more than six months and whether the individual is homeless or at risk of homelessness.

(i) The department shall refer all disability lifeline clients who are not likely to be eligible for federal supplemental security income benefits for basic essential needs assistance, which includes essential household and personal care products not available through food assistance programs or food banks.

(ii) The department shall refer all disability lifeline clients who are not likely to be eligible for federal supplemental security income benefits and who have an incapacity that is likely to last longer than six months and are homeless or at risk for homelessness for housing assistance.

(d) The department shall aggressively pursue opportunities to transfer disability lifeline clients to disability lifeline expedited coverage and to facilitate client applications for federal supplemental security income when the client's incapacities indicate that he or she would be likely to meet the federal disability criteria for supplemental security income. The department shall initiate and file the federal supplemental security income interim agreement as quickly as possible in order to maximize the recovery of federal funds.

(e) The department shall review the disability lifeline 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.

(f) The department shall actively coordinate with local workforce development councils to expedite access to worker retraining programs for clients in those regions of the state with the greatest number of such clients.

(g) The department shall continue the interagency agreement with the department of veterans' affairs to establish a process for referral of veterans who may be eligible for veteran's services. This agreement must include out-stationing department of veterans' affairs staff in selected community service office locations in King and Pierce counties to facilitate applications for veterans' services.

(3) $1,000,000 of the general fund--state appropriation for fiscal year 2012 and $1,000,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for naturalization services.

(4)(a) $2,366,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for refugee employment services, of which $1,774,000 is provided solely for the department to pass through to statewide refugee assistance organizations for limited English proficiency pathway services; and $2,366,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for refugee employment services, of which $1,774,000 is provided solely for the department to pass through to statewide refugee assistance organizations for limited English proficiency pathway services.

(b) On December 1, 2011, and annually thereafter, the department must report to the legislature on all sources of funding available for refugee and immigrant services during the current fiscal year and the amounts expended to date by service type and funding source. The report must also include the number of clients served and outcome data for the clients.

(5) To ensure expenditures remain within available funds appropriated in this section, the legislature establishes the benefit under the state food assistance program, pursuant to RCW 74.08A.120, to be fifty percent of the federal supplemental nutrition assistance program benefit amount.

(6) The appropriations in this section reflect reductions in the appropriations for the economic services administration's administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the greatest extent possible, by

reducing those administrative costs that do not affect direct client services or direct service delivery or program.

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

General Fund--State Appropriation (FY 2012) $76,022,000
General Fund--State Appropriation (FY 2013) $76,186,000
General Fund--Federal Appropriation $141,591,000
General Fund--Private/Local Appropriation $2,086,000
Criminal Justice Treatment Account--State
Appropriation $17,760,000
Problem Gambling Account--State Appropriation $1,455,000
TOTAL APPROPRIATION $315,100,000

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

(1) Within the amounts appropriated in this section, the department may contract with the University of Washington and community-based providers for the provision of the parent-child assistance program. For all contractors, indirect charges for administering the program shall not exceed ten percent of the total contract amount.

(2) Within the amounts appropriated in this section, the department shall continue to provide for chemical dependency treatment services for adult medicaid eligible, pregnant and parenting women, disability lifeline, and alcoholism and drug addiction treatment and support act patients.

(3) In accordance with RCW 70.96A.090 and 43.135.055, the department is authorized to increase fees for the review and approval of treatment programs in fiscal years 2012 and 2013 as necessary to support the costs of the regulatory program. The department's fee schedule shall have differential rates for providers with proof of accreditation from organizations that the department has determined to have substantially equivalent standards to those of the department, including but not limited to the joint commission on accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, and the council on accreditation. To reflect the reduced costs associated with regulation of accredited programs, the department's fees for organizations with such proof of

accreditation must reflect the lower cost of licensing for these programs than for other organizations which are not accredited.

(4) $3,500,000 of the general fund--federal appropriation (from the substance abuse prevention and treatment federal block grant) is provided solely for the continued funding of existing county drug and alcohol use prevention programs.

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

General Fund--State Appropriation (FY 2012) $11,672,000
General Fund--State Appropriation (FY 2013) $11,778,000
General Fund--Federal Appropriation $102,622,000
Telecommunications Devices for the Hearing and
Speech Impaired--State Appropriation $2,775,000
TOTAL APPROPRIATION $128,847,000

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

(1) The vocational rehabilitation program shall coordinate closely with the economic services program to serve lifeline clients under chapter 8, Laws of 2010 1st sp. sess. who are referred for eligibility determination and vocational rehabilitation services, and shall make every effort, within the requirements of the federal rehabilitation act of 1973, to serve these clients.

(2) $480,000 of the telecommunications devices for the hearing and speech impaired account--state appropriation is provided solely for the office of deaf and hard of hearing to enter into an interagency agreement with the department of services for the blind to support contracts for services that provide employment support and help with life activities for deaf-blind individuals in King county.

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

General Fund--State Appropriation (FY 2012) $57,846,000
General Fund--State Appropriation (FY 2013) $57,798,000
TOTAL APPROPRIATION $115,644,000

The appropriations in this section are subject to the following conditions and limitations: $8,978,000 of the general fund--state appropriation for fiscal year 2012 and $8,978,000 of the general fund--

state appropriation for fiscal year 2013 are provided solely for increased legal expenses resulting from the state supreme court's ruling in *In re McCuistion.*

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

General Fund--State Appropriation (FY 2012) $28,445,000
General Fund--State Appropriation (FY 2013) $28,152,000
General Fund--Federal Appropriation $40,048,000
General Fund--Private/Local Appropriation $716,000
TOTAL APPROPRIATION $97,361,000

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

(1) $300,000 of the general fund--state appropriation for fiscal year 2012 and $300,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the Washington state mentors program to continue its public-private partnerships to provide technical assistance and training to mentoring programs that serve at-risk youth.

(2) $445,000 of the general fund--state appropriation for fiscal year 2012 and $445,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for funding of the teamchild project through the governor's juvenile justice advisory committee.

(3) $178,000 of the general fund--state appropriation for fiscal year 2012 and $178,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the juvenile detention alternatives initiative.

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

General Fund--State Appropriation (FY 2012) $66,921,000
General Fund--State Appropriation (FY 2013) $64,011,000
General Fund--Federal Appropriation $59,701,000
TOTAL APPROPRIATION $190,633,000

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

(1) $2,272,000 of the general fund--state appropriation for fiscal

year 2012 and $2,272,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for increased legal expenses resulting from the state supreme court's ruling in *In re McCuistion*.

(2) $580,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for implementation of Second Substitute House Bill No. 1741 (temporary assistance/needy families). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

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

General Fund--State Appropriation (FY 2012) $2,209,850,000
General Fund--State Appropriation (FY 2013) $2,330,841,000
General Fund--Federal Appropriation $5,693,232,000
General Fund--Private/Local Appropriation $68,186,000
Emergency Medical Services and Trauma Care Systems
Trust Account--State Appropriation $15,081,000
Hospital Safety Net Assessment Fund--State
Appropriation $392,441,000
State Health Care Authority Administration Account--
State Appropriation $34,975,000
Medical Aid Account--State Appropriation $535,000
TOTAL APPROPRIATION $10,745,141,000

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 eligible to participate in the basic health plan as subsidized enrollees 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 that are paid to deliver basic health plan services and that 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) In order to maximize the funding appropriated for the basic health plan, the health care authority is directed to make modifications that will maintain the total number of subsidized enrollees at the number of enrollees as of June 30, 2011. In addition to the reduced enrollment, other modifications may include changes in enrollee premium obligations, changes in benefits, enrollee cost-sharing, and termination of the enrollment of individuals concurrently enrolled in a medical assistance program.

(5) Enrollment in the subsidized basic health plan shall be limited to only include persons who qualify as subsidized enrollees as defined in RCW 70.47.020 and who (a) qualify for services under 1115 medicaid demonstration project number 11-W-00254/10; or (b) are foster parents licensed under chapter 74.15 RCW.

(6) $3,034,000 of the general fund--state appropriation for fiscal year 2012, $2,060,000 of the general fund--state appropriation for fiscal year 2013, and $22,336,000 of the general fund--federal appropriation are provided solely for the second phase of development and implementation of the system that is replacing the existing

medicaid management information system, which will expand the system to include long-term care reimbursements. The amounts provided in this subsection are conditioned on the health care authority satisfying the requirements of section 902 of this act.

(7) $87,000,000 of the general fund--federal appropriation is provided solely for planning and implementation of a health benefit exchange under the federal patient protection and affordable care act. Within the amounts provided in this subsection, funds used by the authority for information technology projects are conditioned on the authority satisfying the requirements of section 902 of this act.

(8)(a) $250,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for the health care authority, in consultation with labor organizations representing school district employees, to develop several options to reform the provision of health benefits for K-12 employees in a way that provides comparable benefits while reducing the costs to employees, employing districts, and the state. The options should also reduce administrative burdens on school districts, the inefficiencies in the current system of pooling risk, and the inequities in coverage. In developing the options, the authority shall evaluate and may incorporate the savings strategies identified by the state auditor in the January 31, 2011, K-12 health benefits study. Each option must be developed with the objective of implementing the reforms during the 2013-2015 fiscal biennium.

(b) By December 15, 2011, the health care authority shall report the options developed to the governor and the fiscal committees of the legislature.

(c) By January 1, 2012, the health care authority shall submit to the governor and the fiscal committees of the legislature proposed legislation to implement the option identified by the administrator of the health care authority as most effectively furthering the goals identified in this subsection.

(9) Based on quarterly expenditure reports and caseload forecasts, if the health care authority estimates that expenditures for the medical assistance program will exceed the appropriations, the health care authority 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.

(10) In determining financial eligibility for medicaid-funded services, the health care authority is authorized to disregard recoveries by Holocaust survivors of insurance proceeds or other assets, as defined in RCW 48.104.030.

(11) 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.

(12) When a person is ineligible for medicaid solely by reason of residence in an institution for mental diseases, the health care authority 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.

(13) $7,102,000 of the general fund--state appropriation for fiscal year 2012, $7,102,000 of the general fund--state appropriation for fiscal year 2013, and $14,204,000 of the general fund--federal appropriation are provided solely for low-income care disproportionate share hospital payments under RCW 74.09.730(1)(a).

(14) 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. The supplemental payments are subject to retrospective interim and final cost settlements based on the nursing homes' as-filed and final medicare cost reports. The timing of the interim and final cost settlements shall be at the health care authority's discretion. During either the interim cost settlement or the final cost settlement, the health care authority shall recoup from the public hospital districts the supplemental payments that exceed the medicaid cost limit and/or

the medicare upper payment limit. The health care authority shall apply federal rules for identifying the eligible incurred medicaid costs and the medicare upper payment limit.

(15) The health care authority shall continue the inpatient hospital certified public expenditures program for the 2011-2013 fiscal 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. The health care authority shall submit reports to the governor and legislature by November 1, 2011, and by November 1, 2012, that evaluate whether savings continue to exceed costs for this program. If the certified public expenditures (CPE) program in its current form is no longer cost-effective to maintain, the health care authority shall submit a report to the governor and legislature detailing cost-effective alternative uses of local, state, and federal resources as a replacement for this program. During fiscal year 2012 and fiscal year 2013, hospitals in the program shall be paid and shall retain one hundred percent of the federal portion of the allowable hospital cost for each medicaid inpatient fee-for-service claim payable by medical assistance and one hundred percent of the federal portion of the maximum disproportionate share hospital payment allowable under federal regulations. Inpatient medicaid payments shall be established using an allowable methodology that approximates the cost of claims submitted by the hospitals. Payments made to each hospital in the program in each fiscal year of the biennium shall be compared to a baseline amount. The baseline amount will be determined by the total of (a) the inpatient claim payment amounts that would have been paid during the fiscal year had the hospital not been in the CPE program based on the reimbursement rates developed, implemented, and consistent with policies approved in the 2011-13 biennial operating appropriations act and in effect on July 1, 2011, (b) one half of the indigent assistance disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005, and (c) all of the other disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005 to the extent the same disproportionate share hospital programs exist in the 2011-13 biennium. If payments during the fiscal year exceed the hospital's baseline amount, no additional payments will be made to the hospital except the

federal portion of allowable disproportionate share hospital payments for which the hospital can certify allowable match. If payments during the fiscal year are less than the baseline amount, the hospital will be paid a state grant equal to the difference between payments during the fiscal year and the applicable baseline amount. Payment of the state grant shall be made in the applicable fiscal year and distributed in monthly payments. The grants will be recalculated and redistributed as the baseline is updated during the fiscal year. The grant payments are subject to an interim settlement within eleven months after the end of the fiscal year. A final settlement shall be performed. To the extent that either settlement determines that a hospital has received funds in excess of what it would have received as described in this subsection, the hospital must repay the excess amounts to the state when requested. $32,673,000 of the general fund--state appropriation for fiscal year 2012, of which $6,570,000 is appropriated in section 204(1) of this act, and $29,693,000 of the general fund--state appropriation for fiscal year 2013, of which $6,570,000 is appropriated in section 204(1) of this act, are provided solely for state grants for the participating hospitals. CPE hospitals will receive the inpatient and outpatient reimbursement rate restorations in RCW 74.60.080 and rate increases in RCW 74.60.090 funded through the hospital safety net assessment fund rather than through the baseline mechanism specified in this subsection.

(16) The contract with the managed care plan to provide services for disability lifeline clients shall be designed to incentivize care in the most appropriate setting, including maximizing primary care-based services and optimizing appropriate hospital utilization and savings. The health care authority may include shared savings or other risk sharing arrangements in the contract with the managed care plan in order to incentivize aggressive management of hospital services, including prior authorization, concurrent review, and discharge planning. In determining the allocation of shared savings, the health care authority shall consider the appropriate balance between incentivizing aggressive management of hospital services by the managed care plan and realizing budgetary savings from the state's investment in the inclusion of care management and mental health services in the managed care contract.

(17) The health care authority shall evaluate the impact of the use of a managed care delivery and financing system on state costs and outcomes for lifeline medical clients. Outcomes measured shall include state costs, utilization, changes in mental health status and symptoms, and involvement in the criminal justice system.

(18) The health care authority shall seek public-private partnerships and federal funds that are or may become available to provide on-going support for outreach and education efforts under the federal children's health insurance program reauthorization act of 2009.

(19) The health care authority shall target funding for maternity support services towards pregnant women with factors that lead to higher rates of poor birth outcomes, including hypertension, a preterm or low birth weight birth in the most recent previous birth, a cognitive deficit or developmental disability, substance abuse, severe mental illness, unhealthy weight or failure to gain weight, tobacco use, or African American or Native American race. The health care authority shall prioritize evidence-based practices for delivery of maternity support services. To the extent practicable, the health care authority shall develop a mechanism to increase federal funding for maternity support services by leveraging local public funding for those services.

(20) $175,000 of the general fund--state appropriation for fiscal year 2012, $263,000 of the general fund--state appropriation for fiscal year 2013, and $2,485,000 of the general fund--federal appropriation are provided solely to expand eligibility for the take charge family planning program to cover individuals with family incomes below 250 percent of the federal poverty level. The health care authority shall collect data on enrollment and utilization, and the health care authority shall study whether this expansion reduces medical assistance expenditures by reducing covered pregnancies. The health care authority shall report its findings to the legislature by December 1, 2012.

(21) For children with family incomes above 200 percent of the federal poverty level in the state-funded children's health program for children who are not eligible for coverage under the federally funded children's health insurance program, premiums shall be set every two years in an amount equal to the average state-only share of the per

capita cost of coverage in the state-funded children's health program for children in families with incomes at or less than two hundred percent of the federal poverty level.

(22) $704,000 of the general fund--state appropriation for fiscal year 2012, $726,000 of the general fund--state appropriation for fiscal year 2013, and $1,431,000 of the general fund--federal appropriation are provided solely for disproportionate share hospital payments to hospitals that provide services to children in the children's health program who are not eligible for services under Title XIX or XXI of the federal social security act due to their citizenship status.

(23) $998,000 of the general fund--state appropriation for fiscal year 2012, $979,000 of the general fund--state appropriation for fiscal year 2013, and $1,980,000 of the general fund--federal appropriation are provided solely to increase prior authorization activities for advanced imaging procedures.

(24) $249,000 of the general fund--state appropriation for fiscal year 2012, $246,000 of the general fund--state appropriation for fiscal year 2013, and $495,000 of the general fund--federal appropriation are provided solely to increase prior authorization activities for surgical procedures, which may include orthopedic procedures, spinal procedures and interventions, and nerve procedures.

(25) $300,000 of the general fund--private/local appropriation and $300,000 of the general fund--federal appropriation are provided solely for a prescriptive practices improvement collaborative focusing upon atypical antipsychotics and other medications commonly used in the treatment of severe and persistent mental illnesses among adults. The project shall promote collaboration among community mental health centers, other major prescribers of atypical antipsychotic medications to adults enrolled in state medical assistance programs, and psychiatrists, pharmacists, and other specialists at the University of Washington department of psychiatry and/or other research universities. The collaboration shall include patient-specific prescriber consultations by psychiatrists and pharmacists specializing in treatment of severe and persistent mental illnesses among adults; production of profiles to assist prescribers and clinics in tracking their prescriptive practices and their patients' medication use and adherence relative to evidence-based practices guidelines, other prescribers, and patients at other clinics; and in-service seminars at

which participants can share and increase their knowledge of evidence-based and other effective prescriptive practices. The health care authority shall enter into an interagency agreement with the office of the attorney general for expenditure of $300,000 of the state's proceeds of the *cy pres* settlement in *State of Washington v. AstraZeneca* (Seroquel) for this purpose.

(26) $570,000 of the general fund--private/local appropriation is provided solely for continued operation of the partnership access line for child mental health consultations. The health care authority shall enter into an interagency agreement with the office of the attorney general for expenditure of $570,000 of the state's proceeds of the *cy pres* settlement in *State of Washington v. AstraZeneca* (Seroquel) for this purpose.

(27) $80,000 of the general fund--state appropriation for fiscal year 2012, $80,000 of the general fund--state appropriation for fiscal year 2013, and $160,000 of the general fund--federal appropriation are provided solely to fund the Tacoma-Pierce county health department for access and outreach activities to reduce infant mortality.

(28) $75,000 of the general fund--state appropriation for fiscal year 2012, $75,000 of the general fund--state appropriation for fiscal year 2013, and $150,000 of the general fund--federal appropriation are provided solely to assist with development and implementation of evidence-based strategies regarding the appropriate, safe, and effective role of C-section surgeries and early induced labor in births and neonatal care. The strategies shall be identified and implemented in consultation with clinical research specialists, physicians, hospitals, advanced registered nurse practitioners, and organizations concerned with maternal and child health.

(29) $1,657,000 of the general fund--state appropriation for fiscal year 2012, $1,705,000 of the general fund--state appropriation for fiscal year 2013, $145,000 of the hospital safety net assessment fund--state appropriation, and $2,754,000 of the general fund--federal appropriation are provided solely to provide health coverage for children transitioned from the basic health plan as a result of implementation of the federal waiver for the basic health plan.

(30) $258,000 of the general fund--state appropriation for fiscal year 2012, $258,000 of the general fund--state appropriation for fiscal year 2013, $19,691,000 of the general fund--local appropriation, and

$516,000 of the general fund--federal appropriation are provided solely to implement an intergovernmental transfer program to use local funds to match federal funds for school-based medical services.

(31) $5,295,000 of the general fund--state appropriation for fiscal year 2012, $5,596,000 of the general fund--state appropriation for fiscal year 2013, and $11,558,000 of the general fund--federal appropriation are provided solely for payments to federally qualified health clinics and rural health centers under an alternative payment methodology that reimburses the clinics and centers at rates that are five percent higher than the rates that would be provided under the federal prospective payment system.

(32) $1,555,000 of the general fund--state appropriation for fiscal year 2012, $1,580,000 of the general fund--state appropriation for fiscal year 2013, and $2,171,000 of the general fund--federal appropriation are provided solely to continue to provide dental services to pregnant women. Services shall include preventive, routine, and emergent dental care.

(33) $395,000 of the general fund--state appropriation for fiscal year 2012, $395,000 of the general fund--state appropriation for fiscal year 2013, and $790,000 of the general fund--federal appropriation are provided solely for continued operation of the dental education in care of persons with disabilities (DECOD) program at the University of Washington.

(34) $112,000 of the general fund--state appropriation for fiscal year 2012, $112,000 of the general fund--state appropriation for fiscal year 2013, and $1,928,000 of the general fund--federal appropriation are provided solely for the provider incentive program and other initiatives related to the health information technology Medicaid plan.

(35) $1,439,000 of the general fund--state appropriation for fiscal year 2012, $1,228,000 of the general fund--state appropriation for fiscal year 2013, and $2,890,000 of the general fund--federal appropriation are provided solely for efforts to reduce Medicaid fraud and abuse and to seek coverage or recovery from other medical payers.

(36) $2,926,000 of the general fund--local appropriation and $2,928,000 of the general fund--federal appropriation are provided solely to support medical airlift services.

NEW SECTION. ` **214. FOR THE HUMAN RIGHTS COMMISSION**

General Fund--State Appropriation (FY 2012) $2,258,000
General Fund--State Appropriation (FY 2013) $2,270,000
General Fund--Federal Appropriation $1,994,000
TOTAL APPROPRIATION $6,522,000

NEW SECTION. **Sec. 215. FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS**

Worker and Community Right-to-Know Account--State
Appropriation $10,000
Accident Account--State Appropriation $18,145,000
Medical Aid Account--State Appropriation $18,145,000
TOTAL APPROPRIATION $36,300,000

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

General Fund--State Appropriation (FY 2012) $14,506,000
General Fund--State Appropriation (FY 2013) $14,500,000
General Fund--Federal Appropriation $456,000
General Fund--Private/Local Appropriation $3,121,000
Death Investigations Account--State Appropriation $148,000
Municipal Criminal Justice Assistance Account--
State Appropriation $460,000
Washington Auto Theft Prevention Authority Account--
State Appropriation $6,768,000
TOTAL APPROPRIATION $39,959,000

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

(1) $5,000,000 of the general fund--state appropriation for fiscal year 2012 and $5,000,000 of the general fund--state appropriation for fiscal year 2013, are provided to the Washington association of sheriffs and police chiefs solely to verify the address and residency of registered sex offenders and kidnapping offenders under RCW 9A.44.130.

(2) $321,000 of the general fund--local appropriation is provided solely to purchase ammunition for the basic law enforcement academy. Jurisdictions shall reimburse to the criminal justice training

commission the costs of ammunition, based on the average cost of ammunition per cadet, for cadets that they enroll in the basic law enforcement academy.

(3) The criminal justice training commission may not run a basic law enforcement academy class of fewer than 30 students.

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

General Fund--State Appropriation (FY 2012) $18,302,000
General Fund--State Appropriation (FY 2013) $19,253,000
General Fund--Federal Appropriation $12,655,000
Asbestos Account--State Appropriation $426,000
Electrical License Account--State Appropriation $37,984,000
Farm Labor Revolving Account--Private/Local Appropriation . . . $28,000
Worker and Community Right-to-Know Account--
State Appropriation $1,000,000
Public Works Administration Account--State
Appropriation $5,666,000
Manufactured Home Installation Training Account--
State Appropriation $527,000
Accident Account--State Appropriation $251,693,000
Accident Account--Federal Appropriation $13,622,000
Medical Aid Account--State Appropriation $258,574,000
Medical Aid Account--Federal Appropriation $3,186,000
Plumbing Certificate Account--State Appropriation $1,736,000
Pressure Systems Safety Account--State Appropriation $4,179,000
TOTAL APPROPRIATION $628,831,000

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

(1) Pursuant to RCW 43.135.055, the department is authorized to increase fees related to factory assembled structures, contractor registration, electricians, plumbers, asbestos removal, boilers, elevators, and manufactured home installers. These increases are necessary to support expenditures authorized in this section, consistent with chapters 43.22, 18.27, 19.28, and 18.106 RCW, RCW 49.26.130, and chapters 70.79, 70.87, and 43.22A RCW.

(2) $50,000 of the general fund--state appropriation for fiscal year 2012 and $50,000 of the general fund--state appropriation for

fiscal year 2013 are provided solely for the crime victims compensation program to pay claims for mental health services for crime victim compensation program clients who have an established relationship with a mental health provider and subsequently obtain coverage under the medicaid program or the medical care services program under chapter 74.09 RCW. Prior to making such payment, the program must have determined that payment for the specific treatment or provider is not available under the medicaid or medical care services program. In addition, the program shall make efforts to contact any healthy options or medical care services health plan in which the client may be enrolled to help the client obtain authorization to pay the claim on an out-of-network basis.

(3) $34,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for implementation of Engrossed Second Substitute House Bill No. 1701 (contractor misclassification). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(4) $1,942,000 of the accident account--state appropriation and $6,704,000 of the medical aid account--state appropriation are provided solely for implementation of Engrossed Substitute House Bill No. 2002 (industrial insurance). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(5) $1,096,000 of the accident account--state appropriation and $1,096,000 of the medical aid account--state appropriation are provided solely for implementation of Engrossed Substitute House Bill No. 1725 (workers' compensation). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

(6) $51,000 of the accident account--state appropriation and $51,000 of the medical aid account--state appropriation are provided solely for implementation of Engrossed Substitute House Bill No. 1367 (for hire vehicles, operators). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

(7) $9,433,000 of the accident medical aid account--state appropriation is provided solely for implementation of Engrossed Substitute House Bill No. 1869 (occupational health best practices). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(8) $1,817,000 of the accident account--state appropriation and $1,812,000 of the medical aid account--state appropriation are provided solely for implementation of Engrossed Substitute House Bill No. 1487 (retrospective rating plan claims). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

(9) $369,000 of the manufactured home installation training account--state appropriation is provided solely for implementation of Substitute House Bill No. 1502 (manufactured/mobile home program). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

NEW SECTION. **Sec. 218. FOR THE DEPARTMENT OF VETERANS AFFAIRS**

(1) HEADQUARTERS

General Fund--State Appropriation (FY 2012) $1,897,000
General Fund--State Appropriation (FY 2013) $1,899,000
Charitable, Educational, Penal, and Reformatory
Institutions Account--State Appropriation $10,000
TOTAL APPROPRIATION $3,806,000

(2) FIELD SERVICES

General Fund--State Appropriation (FY 2012) $4,810,000
General Fund--State Appropriation (FY 2013) $4,812,000
General Fund--Federal Appropriation $2,759,000
General Fund--Private/Local Appropriation $4,223,000
Veterans Innovations Program Account--State
Appropriation $161,000
Veteran Estate Management Account--Private/Local
Appropriation $1,109,000
TOTAL APPROPRIATION $17,874,000

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

(a) The department shall collaborate with the department of social and health services to identify and assist eligible general assistance unemployable clients to access the federal department of veterans affairs benefits.

(b) $161,000 of the veterans innovations program account--state appropriation is provided solely for the department to continue support for returning combat veterans through the veterans innovation program,

including emergency financial assistance through the defenders' fund and long-term financial assistance through the competitive grant program.

(c) The post traumatic stress disorder program has provided state funded services to soldiers who may qualify for federal outpatient mental health treatment but have not yet been adjudicated for federal benefits. The department shall prioritize state funding towards assisting and facilitating with the adjudication of soldiers who may qualify for federal veterans benefits. The state shall be the payer of last resort. State funded treatment shall be prioritized to rural areas that are not near a federally funded veterans medical center, a federally funded readjustment counseling services center, or a federally funded veterans community-based clinic.

(3) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2012) $1,741,000
General Fund--State Appropriation (FY 2013) $963,000
General Fund--Federal Appropriation $57,521,000
General Fund--Private/Local Appropriation $34,530,000
TOTAL APPROPRIATION $94,755,000

NEW SECTION. **Sec. 219. FOR THE DEPARTMENT OF HEALTH**

General Fund--State Appropriation (FY 2012) $84,712,000
General Fund--State Appropriation (FY 2013) $84,402,000
General Fund--Federal Appropriation $536,389,000
General Fund--Private/Local Appropriation $149,767,000
Hospital Data Collection Account--State Appropriation $220,000
Health Professions Account--State Appropriation $95,669,000
Aquatic Lands Enhancement Account--State Appropriation $610,000
Emergency Medical Services and Trauma Care Systems
Trust Account--State Appropriation $12,327,000
Safe Drinking Water Account--State Appropriation $4,545,000
Drinking Water Assistance Account--Federal
Appropriation $23,251,000
Waterworks Operator Certification--State
Appropriation $1,560,000
Drinking Water Assistance Administrative Account--
State Appropriation $326,000
Biotoxin Account--State Appropriation $1,167,000

State Toxics Control Account--State Appropriation $3,771,000
Medical Test Site Licensure Account--State
Appropriation $2,366,000
Youth Tobacco Prevention Account--State Appropriation . . . $1,512,000
Community and Economic Development Fee Account--State
Appropriation $596,000
Public Health Supplemental Account--Private/Local
Appropriation $3,602,000
Accident Account--State Appropriation $316,000
Medical Aid Account--State Appropriation $57,000
Tobacco Prevention and Control Account--State
Appropriation $37,000
TOTAL APPROPRIATION $1,007,202,000

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

(1) 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 of health and the state board of health shall not implement any new or amended rules pertaining to primary and secondary school facilities until the rules and a final cost estimate have been presented to the legislature, and the legislature has formally funded implementation of the rules through the omnibus appropriations act or by statute. 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.

(2) In accordance with RCW 43.70.250 and 43.135.055, the department is authorized to establish and raise fees in fiscal year 2012 as

necessary to meet the actual costs of conducting business and the appropriation levels in this section. This authorization applies to fees required for: The review of health care facility construction; review of health facility requests for certificate of need; the regulation and inspection of farm worker housing, hospital licensing, in-home health service agencies, and producers of radioactive waste; the regulation and inspection of shellfish sanitary control, and; fees associated with the following professions: Dieticians and nutritionists, occupational therapists, pharmacy, veterinarian, orthotics and prosthetics, surgical technicians, nursing home administrators, health care assistants, hearing and speech, psychology, hypnotherapy, chiropractic.

(3) It is the intent of the legislature that the reductions in appropriations to the AIDS/HIV programs shall be achieved, to the greatest extent possible, by reducing those state government administrative costs that do not affect direct client services or direct service delivery or programs. If reductions made to administrative costs are insufficient to align program costs with appropriations for AIDS/HIV programs, the agency shall reduce prevention services as necessary. The agency shall not change client eligibility standards or benefit levels during the 2011-2013 fiscal biennium.

(4) $125,000 of the general fund--state appropriation for fiscal year 2012 and $125,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for tobacco cessation programs for communities of color.

(5) $137,000 of the health professions account--state appropriation is provided solely for implementation of Substitute House Bill No. 1133 (massage practitioner license). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(6) $1,670,000 of the safe drinking water account--state appropriation is provided solely for implementation of Substitute House Bill No. 1468 (public water system permits). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

NEW SECTION. **Sec. 220. FOR THE DEPARTMENT OF CORRECTIONS**

(1) ADMINISTRATION AND SUPPORT SERVICES

General Fund--State Appropriation (FY 2012) $57,065,000
General Fund--State Appropriation (FY 2013) $56,437,000
TOTAL APPROPRIATION $113,502,000

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

(a) $35,000 of the general fund--state appropriation for fiscal year 2012 and $35,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the support of a statewide council on mentally ill offenders that includes as its members representatives of community-based mental health treatment programs, current or former judicial officers, and directors and commanders of city and county jails and state prison facilities. The council will investigate and promote cost-effective approaches to meeting the long-term needs of adults and juveniles with mental disorders who have a history of offending or who are at-risk of offending, including their mental health, physiological, housing, employment, and job training needs.

(b) $25,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for the sentencing guidelines commission, in partnership with the Washington state institute of public policy, to develop a plan to adjust the sentencing guidelines or otherwise reduce sentences in a manner supported by the latest research, to save at least $10,000,000 by fiscal year 2013 that would be partially reinvested in evidence-based programs for juveniles and adults proven to reduce recidivism. The sentencing guidelines commission shall report its recommendations to the governor and the legislature by December 1, 2011.

(2) CORRECTIONAL OPERATIONS

General Fund--State Appropriation (FY 2012) $618,802,000
General Fund--State Appropriation (FY 2013) $581,118,000
General Fund--Federal Appropriation $3,300,000
General Fund--Private/Local Appropriation $2,336,000
Washington Auto Theft Prevention Authority Account--
State Appropriation $15,351,000
TOTAL APPROPRIATION $1,220,907,000

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) During the 2011-13 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.

(c) The Harborview medical center and 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 has negotiated with other community hospitals in Washington state.

(d) $4,014,000 of the general fund--state appropriation for fiscal year 2012 and $4,014,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for in-prison evidence-based programs and for the reception diagnostic center program as part of the offender re-entry initiative.

(e) $102,000 of the general fund--state appropriation for fiscal year 2012 and $102,000 of the general fund--state appropriation for fiscal year 2013 are provided solely to implement House Bill No. 1290 (health care employee overtime). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

(f) $32,000 of the general fund--state appropriation for fiscal year 2012 and $33,000 of the general fund--state appropriation for fiscal year 2013 are provided solely to implement Substitute House Bill No. 1718 (offenders with developmental disabilities). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

(3) COMMUNITY SUPERVISION

General Fund--State Appropriation (FY 2012) $135,350,000

General Fund--State Appropriation (FY 2013) $132,828,000
Washington Auto Theft Prevention Authority Account--
State Appropriation $495,000
TOTAL APPROPRIATION $268,673,000

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) $1,585,000 of the general fund--state appropriation for fiscal year 2012 and $1,585,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for evidence-based community programs and for community justice centers as part of the offender re-entry initiative.

(c) $875,000 of the general fund--state appropriation for fiscal year 2012 is provided solely to implement Substitute House Bill No. 1632 (cost of supervision). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(4) CORRECTIONAL INDUSTRIES

General Fund--State Appropriation (FY 2012) $3,623,000
General Fund--State Appropriation (FY 2013) $3,617,000
TOTAL APPROPRIATION $7,240,000

The appropriations in this subsection are subject to the following conditions and limitations: $132,000 of the general fund--state appropriation for fiscal year 2012 and $132,000 of the general fund--state appropriation for fiscal year 2013 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 2012) $39,190,000
General Fund--State Appropriation (FY 2013) $36,555,000
TOTAL APPROPRIATION $75,745,000

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

(a) The state prison institutions may use funds appropriated in this subsection to rent uniforms from correctional industries in accordance with existing legislative mandates.

(b) The state prison medical facilities may use funds appropriated in this subsection to purchase goods and supplies through hospital or other group purchasing organizations when it is cost effective to do so.

NEW SECTION. **Sec. 221. FOR THE DEPARTMENT OF SERVICES FOR THE BLIND**

General Fund--State Appropriation (FY 2012) $2,304,000
General Fund--State Appropriation (FY 2013) $2,299,000
General Fund--Federal Appropriation $19,419,000
General Fund--Private/Local Appropriation $30,000
TOTAL APPROPRIATION $24,052,000

NEW SECTION. **Sec. 222. FOR THE EMPLOYMENT SECURITY DEPARTMENT**

General Fund--Federal Appropriation $269,150,000
General Fund--Private/Local Appropriation $34,481,000
Unemployment Compensation Administration Account--
Federal Appropriation $368,389,000
Administrative Contingency Account--State Appropriation . . $20,394,000
Employment Service Administrative Account--State
Appropriation $34,479,000
TOTAL APPROPRIATION $726,893,000

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

(1) $39,666,000 of the unemployment compensation administration account--federal appropriation is from amounts made available to the state by section 903 (d), (f), and (g) of the social security act (Reed act). This amount is provided solely for continuing current unemployment insurance functions and department services to employers and job seekers.

(2) $35,584,000 of the unemployment compensation administration account--federal appropriation is from amounts made available to the state by section 903 (d), (f), and (g) of the social security act (Reed

act). This amount is provided solely for the replacement of the unemployment insurance tax information system for the employment security department. The employment security department shall support the department of revenue and department of labor and industries to develop a common vision to ensure technological compatibility between the three agencies to facilitate a coordinated business tax system for the future that improves services to business customers. The amounts provided in this subsection are conditioned on the department satisfying the requirements of section 902 of this act.

(3) $25,000 of the unemployment compensation administration account--federal appropriation is from amounts made available to the state by section 903 (d), (f), and (g) of the social security act (Reed act). This amount is provided solely for implementation of system changes to the unemployment insurance tax information system required under chapter 4, Laws of 2011 (unemployment insurance program).

(4) $1,459,000 of the unemployment compensation administration account--federal appropriation is from amounts available to the state by section 903 (d), (f), and (g) of the social security act (Reed act). This amount is provided solely for implementation of chapter 4, Laws of 2011 (unemployment insurance program).

(5) $60,000 of the unemployment compensation administration account--federal appropriation is provided solely for costs associated with the initial review and evaluation of the training benefits program as directed in section 15(2), chapter 4, Laws of 2011 (unemployment insurance program). The initial review shall be developed by the joint legislative audit and review committee. This appropriation is provided from funds made available to the state by section 903 (d), (f), and (g) of the social security act (Reed act).

(End of part)

PART III
NATURAL RESOURCES

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

General Fund--State Appropriation (FY 2012) $410,000
General Fund--State Appropriation (FY 2013) $419,000
General Fund--Federal Appropriation $32,000
General Fund--Private/Local Appropriation $799,000
TOTAL APPROPRIATION $1,660,000

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

General Fund--State Appropriation (FY 2012) $50,022,000
General Fund--State Appropriation (FY 2013) $49,209,000
General Fund--Federal Appropriation $79,024,000
General Fund--Private/Local Appropriation $16,804,000
Special Grass Seed Burning Research Account--State
Appropriation $3,000
Reclamation Revolving Account--State Appropriation $3,722,000
Flood Control Assistance Account--State Appropriation . . . $1,987,000
State Emergency Water Projects Revolving Account--State
Appropriation $270,000
Waste Reduction/Recycling/Litter Control--State
Appropriation $14,679,000
State Drought Preparedness Account--State Appropriation . . . $118,000
State and Local Improvements Revolving Account
(Water Supply Facilities)--State Appropriation $435,000
Freshwater Aquatic Algae Control Account--State
Appropriation $512,000
Water Rights Tracking System Account--State Appropriation . . . $46,000
Site Closure Account--State Appropriation $728,000
Wood Stove Education and Enforcement Account--State
Appropriation $616,000
Worker and Community Right-to-Know Account--State
Appropriation $1,721,000
Water Rights Processing Account--State Appropriation $2,286,000
State Toxics Control Account--State Appropriation $114,882,000
State Toxics Control Account--Private/Local

Appropriation $983,000
Local Toxics Control Account--State Appropriation $27,581,000
Water Quality Permit Account--State Appropriation $38,605,000
Underground Storage Tank Account--State Appropriation . . . $3,348,000
Biosolids Permit Account--State Appropriation $1,858,000
Hazardous Waste Assistance Account--State Appropriation . . $6,011,000
Air Pollution Control Account--State Appropriation $2,502,000
Oil Spill Prevention Account--State Appropriation $5,829,000
Air Operating Permit Account--State Appropriation $2,816,000
Freshwater Aquatic Weeds Account--State Appropriation . . . $1,710,000
Oil Spill Response Account--State Appropriation $7,076,000
Metals Mining Account--State Appropriation $14,000
Water Pollution Control Revolving Account--State
Appropriation $630,000
Water Pollution Control Revolving Account--Federal
Appropriation $2,583,000
TOTAL APPROPRIATION $438,610,000

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

(1) $170,000 of the oil spill prevention account--state appropriation is provided solely for 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.

(2) Pursuant to RCW 43.135.055, the department is authorized to increase the following fees as necessary to meet the actual costs of conducting business and the appropriation levels in this section: Wastewater discharge permit, not more than 4.34 percent in fiscal year 2012 and 4.62 percent in fiscal year 2013; biosolids permit fee, not more than 10 percent during the biennium; and air contaminate source registration fee, not more than 36 percent during the biennium.

(3) If Substitute House Bill No. 1294 (Puget Sound corps) is not enacted by June 30, 2011, $322,000 of the general fund--state appropriation for fiscal year 2012 and $322,000 of the general fund--state appropriation for fiscal year 2013 shall be transferred to the department of natural resources.

(4) $463,000 of the state toxics control account--state appropriation is provided solely for implementation of Engrossed Second

Substitute House Bill No. 1186 (state's oil spill program). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(5) $45,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for implementation of Engrossed Second Substitute House Bill No. 1952 (SEPA process). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

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

General Fund--State Appropriation (FY 2012) $10,512,000
General Fund--State Appropriation (FY 2013) $10,650,000
General Fund--Federal Appropriation $5,981,000
Winter Recreation Program Account--State Appropriation . . . $1,770,000
ORV and Nonhighway Vehicle Account--State Appropriation . . . $233,000
Snowmobile Account--State Appropriation $4,867,000
Aquatic Lands Enhancement Account--State Appropriation $363,000
Parks Renewal and Stewardship Account--State
Appropriation $125,470,000
Parks Renewal and Stewardship Account--Private/Local
Appropriation $300,000
TOTAL APPROPRIATION $160,146,000

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

(1) $9,921,000 of the general fund--state appropriation for fiscal year 2012 and $9,921,000 of the general fund--state appropriation for fiscal year 2013 are provided solely to assist state parks in its implementation of a new fee structure. The goal of this structure is to make the parks system self-supporting. By August 1, 2012, state parks must submit a report to the office of financial management detailing its progress toward this goal and outlining any additional statutory changes needed for successful implementation.

(2) $79,000 of the general fund--state appropriation for fiscal year 2012 and $79,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for a grant for the operation of the Northwest avalanche center.

(3) $53,550,000 of the parks renewal and stewardship account--state appropriation is provided solely for implementation of House Bill No. 1796 (Washington's heritage). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

NEW SECTION. **Sec. 304. FOR THE RECREATION AND CONSERVATION FUNDING BOARD**

General Fund--State Appropriation (FY 2012) $962,000
General Fund--State Appropriation (FY 2013) $988,000
General Fund--Federal Appropriation $3,346,000
General Fund--Private/Local Appropriation $274,000
Aquatic Lands Enhancement Account--State Appropriation $278,000
Vessel Response Account--State Appropriation $100,000
Firearms Range Account--State Appropriation $37,000
Recreation Resources Account--State Appropriation $3,043,000
NOVA Program Account--State Appropriation $900,000
TOTAL APPROPRIATION $9,928,000

The appropriations in this section are subject to the following conditions and limitations: $40,000 of the general fund--federal appropriation, $24,000 of the general fund--private/local appropriation, $100,000 of the vessel response account--state appropriation, and $12,000 of the recreation resources account--state appropriation are provided solely for House Bill No. 1413 (invasive species council). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

NEW SECTION. **Sec. 305. FOR THE ENVIRONMENTAL AND LAND USE HEARINGS OFFICE**

General Fund--State Appropriation (FY 2012) $2,478,000
General Fund--State Appropriation (FY 2013) $2,490,000
TOTAL APPROPRIATION $4,968,000

NEW SECTION. **Sec. 306. FOR THE CONSERVATION COMMISSION**

General Fund--State Appropriation (FY 2012) $5,187,000
General Fund--State Appropriation (FY 2013) $5,206,000
General Fund--Federal Appropriation $1,301,000
TOTAL APPROPRIATION $11,694,000

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

(1) The conservation commission, in cooperation with all conservation districts, will seek to minimize conservation district overhead costs. These efforts may include merging conservation districts along county lines.

(2) $122,000 of the general fund--federal appropriation is provided solely for Engrossed Substitute House Bill No. 1886 (Ruckelshaus center process). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

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

General Fund--State Appropriation (FY 2012) $36,011,000
General Fund--State Appropriation (FY 2013) $34,585,000
General Fund--Federal Appropriation $107,370,000
General Fund--Private/Local Appropriation $51,566,000
ORV and Nonhighway Vehicle Account--State Appropriation . . . $393,000
Aquatic Lands Enhancement Account--State Appropriation . . . $6,992,000
Recreational Fisheries Enhancement--State Appropriation . . $3,601,000
Warm Water Game Fish Account--State Appropriation $3,125,000
Eastern Washington Pheasant Enhancement Account--State
Appropriation $849,000
Aquatic Invasive Species Enforcement Account--State
Appropriation $210,000
Aquatic Invasive Species Prevention Account--State
Appropriation $741,000
State Wildlife Account--State Appropriation $108,781,000
Special Wildlife Account--State Appropriation $2,399,000
Special Wildlife Account--Federal Appropriation $3,431,000
Special Wildlife Account--Private/Local Appropriation $487,000
Wildlife Rehabilitation Account--State Appropriation $260,000
Regional Fisheries Enhancement Salmonid Recovery
Account--Federal Appropriation $5,001,000
Oil Spill Prevention Account--State Appropriation $919,000
Oyster Reserve Land Account--State Appropriation $927,000
Hydraulic Project Approval Account--State
Appropriation $2,000,000
TOTAL APPROPRIATION $369,648,000

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

(1) $294,000 of the aquatic lands enhancement account--state appropriation is provided solely for the implementation of hatchery reform recommendations defined by the hatchery scientific review group.

(2) $355,000 of the general fund--state appropriation for fiscal year 2012 and $355,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the department to continue a pilot project with the Confederated Tribes of the Colville Reservation to develop expanded recreational fishing opportunities on Lake Rufus Woods and its northern shoreline and to conduct joint enforcement of lake fisheries on Lake Rufus Woods and adjoining waters, pursuant to state and tribal intergovernmental agreements developed under the Columbia River water supply program. For the purposes of the pilot project:

(a) A fishing permit issued to a nontribal member by the Colville Tribes shall satisfy the license requirement of RCW 77.32.010 on the waters of Lake Rufus Woods and on the north shore of Lake Rufus Woods;

(b) The Colville Tribes have agreed to provide to holders of its nontribal member fishing permits a means to demonstrate that fish in their possession were lawfully taken in Lake Rufus Woods;

(c) A Colville tribal member identification card shall satisfy the license requirement of RCW 77.32.010 on all waters of Lake Rufus Woods;

(d) The department and the Colville Tribes shall jointly designate fishing areas on the north shore of Lake Rufus Woods for the purposes of enhancing access to the recreational fisheries on the lake; and

(e) The Colville Tribes have agreed to recognize a fishing license issued under RCW 77.32.470 or RCW 77.32.490 as satisfying the nontribal member fishing permit requirements of Colville tribal law on the reservation portion of the waters of Lake Rufus Woods and at designated fishing areas on the north shore of Lake Rufus Woods;

(3) Prior to submitting its 2013-2015 biennial operating and capital budget request related to state fish hatcheries to the office of financial management, the department shall contract with the hatchery scientific review group (HSRG) to review this request. This review shall: (a) Determine if the proposed requests are consistent with HSRG recommendations; (b) prioritize the components of the requests based on their contributions to protecting wild salmonid

stocks and meeting the recommendations of the HSRG; and (c) evaluate whether the proposed requests are being made in the most cost effective manner. The department shall provide a copy of the HSRG review to the office of financial management with their agency budget proposal.

(4) $400,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for a state match to support the Puget Sound nearshore partnership between the department and the U.S. army corps of engineers.

(5) $50,000 of the general fund--state appropriation for fiscal year 2012 and $50,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for removal of derelict gear in Washington waters.

(6) $100,000 of the eastern Washington pheasant enhancement account--state appropriation is provided solely for the department to support efforts to enhance permanent and temporary pheasant habitat on public and private lands in Grant, Franklin, and Adams counties. The department may support efforts by entities including conservation districts, nonprofit organizations, and landowners, and must require such entities to provide significant nonstate matching resources, which may be in the form of funds, material, or labor.

(7) Within the amounts appropriated in this section, the department shall identify additional opportunities for partnerships in order to keep fish hatcheries operational. Such partnerships shall aim to maintain fish production and salmon recovery with less reliance on state operating funds.

(8) By September 1, 2011, the department shall update its interagency agreement dated September 30, 2010, with the department of natural resources concerning land management services on the department of fish and wildlife's wildlife conservation and recreation lands. The update shall include rates and terms for services.

(9) Prior to opening game management unit 490 to public hunting, the department shall complete an environmental impact statement that includes an assessment of how public hunting activities will impact the ongoing protection of the public water supply.

(10) By July 1, 2012, the department shall enter into an interagency agreement with the department of natural resources in order to receive payment for costs related to work conducted on state trust

lands as part of the natural heritage program. An agreement shall be submitted to the office of financial management and the fiscal committees of the legislature by September 1, 2011.

(11) $17,535,000 of the state wildlife account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1387 (state wildlife account). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(12) $7,114,000 of the state wildlife account--state appropriation is provided solely for the implementation of House Bill No. 1796 (Washington's heritage). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(13) $2,000,000 of the hydraulic project approval account--state appropriation is provided solely for the implementation of House Bill No. 2008 (natural resources programs). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

NEW SECTION. **Sec. 308. FOR THE DEPARTMENT OF NATURAL RESOURCES**

General Fund--State Appropriation (FY 2012) $34,674,000
General Fund--State Appropriation (FY 2013) $34,398,000
General Fund--Federal Appropriation $28,145,000
General Fund--Private/Local Appropriation $2,381,000
Forest Development Account--State Appropriation $42,772,000
ORV and Nonhighway Vehicle Account--State Appropriation . . $4,508,000
Surveys and Maps Account--State Appropriation $2,399,000
Aquatic Lands Enhancement Account--State
Appropriation $7,389,000
Resources Management Cost Account--State
Appropriation $83,737,000
Surface Mining Reclamation Account--State
Appropriation $3,540,000
Disaster Response Account--State Appropriation $5,000,000
Forest and Fish Support Account--State Appropriation $7,939,000
Aquatic Land Dredged Material Disposal Site
Account--State Appropriation $844,000
Natural Resources Conservation Areas Stewardship
Account--State Appropriation $34,000
State Toxics Control Account--State Appropriation $80,000
Air Pollution Control Account--State Appropriation $1,319,000

NOVA Program Account--State Appropriation $669,000
Derelict Vessel Removal Account--State Appropriation $1,765,000
Agricultural College Trust Management Account--State
Appropriation $1,916,000
Forest Practices Application Account--State
Appropriation $2,000,000
TOTAL APPROPRIATION $265,509,000

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

(1) $977,000 of the general fund--state appropriation for fiscal year 2012 and $915,000 of the general fund--state appropriation for fiscal year 2013 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.

(2) $10,037,000 of the general fund--state appropriation for fiscal year 2012, $10,037,000 of the general fund--state appropriation for fiscal year 2013, and $5,000,000 of the disaster response account--state appropriation are provided solely for emergency fire suppression. 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. The department of natural resources shall submit a quarterly report to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from the disaster response account. This work shall be done in coordination with the military department.

(3) $4,000,000 of the forest and fish support account--state appropriation is provided solely for adaptive management, monitoring, and participation grants to tribes. If federal funding for this purpose is reinstated, the amount provided in this subsection shall lapse.

(4) $333,000 of the forest and fish support account--state appropriation is provided solely for adaptive management, monitoring, and participation grants to nongovernmental organizations.

(5) $487,000 of the general fund--state appropriation is provided

solely to fund interagency agreements with the department of ecology and the department of fish and wildlife as part of the adaptive management process.

(6) $1,000,000 of the general fund--federal appropriation and $1,000,000 of the forest and fish support account--state appropriation are provided solely for continuing scientific studies already underway as part of the adaptive management process. Funds may not be used to initiate new studies unless the department secures new federal funding for the adaptive management process.

(7) The department is authorized to increase the silviculture burning permit fee in the 2011-2013 biennium as necessary to meet the actual costs of conducting business.

(8) $440,000 of the state general fund--state appropriation for fiscal year 2012 and $440,000 of the state general fund--state appropriation for fiscal year 2013 are provided solely for forest work crews that support correctional camps and are contingent upon continuing operations of Naselle youth camp.

(9) By September 1, 2011, the department shall update its interagency agreement dated September 30, 2010, with the department of fish and wildlife concerning land management services on the department of fish and wildlife's wildlife conservation and recreation lands. The update shall include rates and terms for services.

(10)(a) By July 1, 2012, the department shall enter into an interagency agreement with the department of fish and wildlife in order to pay for costs related to work conducted by the department of fish and wildlife on state trust lands as part of the natural heritage program. An agreement shall be submitted to the office of financial management and the fiscal committees of the legislature by September 1, 2011.

(b) $27,000 of the resource management cost account--state appropriation and $155,200 of the forest development account--state appropriation are provided solely for implementation of the interagency agreement referenced in (a) of this subsection.

(11) $2,000,000 of the forest practices application account--state appropriation, $62,000 of the resources management cost account--state appropriation, and $62,000 of the forest development account--state appropriation are provided solely for the implementation of House Bill

No. 2008 (natural resources programs). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

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

General Fund--State Appropriation (FY 2012) $10,135,000
General Fund--State Appropriation (FY 2013) $9,931,000
General Fund--Federal Appropriation $23,217,000
General Fund--Private/Local Appropriation $190,000
Aquatic Lands Enhancement Account--State
Appropriation $2,101,000
State Toxics Control Account--State Appropriation $5,191,000
Water Quality Permit Account--State Appropriation $62,000
TOTAL APPROPRIATION $50,827,000

The appropriations in this section are subject to the following conditions and limitations: $5,308,445 of the general fund--state appropriation for fiscal year 2012 and $5,302,905 of the general fund--state appropriation for fiscal year 2013 are provided solely for implementing the food assistance program as defined in RCW 43.23.290.

NEW SECTION. **Sec. 310. FOR THE WASHINGTON POLLUTION LIABILITY INSURANCE PROGRAM**

Pollution Liability Insurance Program Trust
Account--State Appropriation $681,000

NEW SECTION. **Sec. 311. FOR THE PUGET SOUND PARTNERSHIP**

General Fund--State Appropriation (FY 2012) $2,797,000
General Fund--State Appropriation (FY 2013) $2,785,000
General Fund--Federal Appropriation $9,620,000
General Fund--Private/Local Appropriation $25,000
Aquatic Lands Enhancement Account--State Appropriation $499,000
State Toxics Control Account--State Appropriation $735,000
TOTAL APPROPRIATION $16,461,000

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

(1) $706,000 of the state toxics control account--state appropriation is provided solely for activities that contribute to Puget Sound protection and recovery, including provision of independent advice and assessment of the state's oil spill prevention,

preparedness, and response programs, including review of existing activities and recommendations for any necessary improvements. The partnership may carry out this function through an existing committee, such as the ecosystem coordination board or the leadership council, or may appoint a special advisory council. Because this is a unique statewide program, the partnership may invite participation from outside the Puget Sound region.

(2) Within the amounts appropriated in this section, the Puget Sound partnership shall facilitate an ongoing monitoring consortium to integrate monitoring efforts for storm water, water quality, watershed health, and other indicators to enhance monitoring efforts in Puget Sound.

(End of part)

PART IV
TRANSPORTATION

NEW SECTION. **Sec. 401. FOR THE DEPARTMENT OF LICENSING**

General Fund--State Appropriation (FY 2012) $1,148,000
General Fund--State Appropriation (FY 2013) $1,402,000
Architects' License Account--State Appropriation $1,086,000
Professional Engineers' Account--State
Appropriation $3,644,000
Real Estate Commission Account--State Appropriation $10,043,000
Uniform Commercial Code Account--State Appropriation $3,183,000
Real Estate Education Account--State Appropriation $276,000
Real Estate Appraiser Commission Account--State
Appropriation $1,724,000
Business and Professions Account--State Appropriation . . . $15,996,000
Real Estate Research Account--State Appropriation $622,000
Geologists' Account--State Appropriation $49,000
Derelict Vessel Removal Account--State Appropriation $31,000
TOTAL APPROPRIATION $39,204,000

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

(1) Pursuant to RCW 43.135.055, the department is authorized to increase fees for cosmetologists, funeral directors, cemeteries, court reporters and appraisers. These increases are necessary to support the expenditures authorized in this section, consistent with RCW 43.24.086.

(2) $8,000 of the business and professions account--state appropriation is provided solely to implement House Bill No. 1745 (collection agencies). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(3) $54,000 of the business and professions account--state appropriation is provided solely to implement Substitute House Bill No. 1205 (court reporter licensing). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(4) $71,000 of the professional engineers' account--state appropriation is provided solely to implement House Bill No. 1900 (continuing ed for engineers). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

NEW SECTION. **Sec. 402. FOR THE STATE PATROL**

General Fund--State Appropriation (FY 2012) $40,624,000
General Fund--State Appropriation (FY 2013) $38,151,000
General Fund--Federal Appropriation $16,081,000
General Fund--Private/Local Appropriation $3,021,000
Death Investigations Account--State Appropriation $5,735,000
County Criminal Justice Assistance Account--State
Appropriation $3,302,000
Municipal Criminal Justice Assistance Account--State
Appropriation $1,332,000
Fire Service Trust Account--State Appropriation $131,000
Disaster Response Account--State Appropriation $8,002,000
Fire Service Training Account--State Appropriation $9,087,000
Aquatic Invasive Species Enforcement Account--State
Appropriation $54,000
State Toxics Control Account--State Appropriation $508,000
Fingerprint Identification Account--State
Appropriation $8,970,000
Vehicle License Fraud Account--State Appropriation $221,000
TOTAL APPROPRIATION $135,219,000

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

(1) $200,000 of the fire service training account--state appropriation is provided solely for two FTEs in the office of the state director of fire protection to exclusively review K-12 construction documents for fire and life safety in accordance with the state building code. It is the intent of this appropriation to provide these services only to those districts that are located in counties without qualified review capabilities.

(2) $8,000,000 of the disaster response account--state appropriation is provided solely for Washington state fire service resource mobilization costs incurred in response to an emergency or disaster authorized under RCW 43.43.960 and 43.43.964. The state patrol shall submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from this account. This work shall be done in coordination with the military department.

(3) $400,000 of the fire service training account--state appropriation is provided solely for the firefighter apprenticeship training program.

(4) In accordance with RCW 43.43.742 the state patrol is authorized to increase the following fees in fiscal year 2012 as necessary to meet the actual costs of conducting business and the appropriation levels in this section: Collision records requests; fire training academy courses; and fire training academy dorm accommodations.

(5) $59,000 of the fingerprint identification account--state appropriation is provided solely for implementation of Engrossed Second Substitute House Bill No. 1776 (child care center licensing). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(6) $6,000 of the fingerprint identification account--state appropriation is provided solely for implementation of Engrossed Substitute House Bill No. 1494 (vulnerable adult referrals). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(End of part)

PART V
EDUCATION

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

General Fund--State Appropriation (FY 2012) $27,774,000
General Fund--State Appropriation (FY 2013) $24,058,000
General Fund--Federal Appropriation $87,577,000
TOTAL APPROPRIATION $139,409,000

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

(1) A maximum of $18,617,000 of the general fund--state appropriation for fiscal year 2012 and $14,769,000 of the general fund--state appropriation for fiscal year 2013 is for state agency operations.

(a) $12,358,000 of the general fund--state appropriation for fiscal year 2012 and $9,788,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

(i) Within the amounts provided in this subsection (1)(a), 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.

(ii) By January 1, 2012, the office of the superintendent of public instruction shall issue a report to the legislature with a timeline and an estimate of costs for implementation of the common core standards. The report must incorporate feedback from an open public forum for recommendations to enhance the standards, particularly in math.

(iii) Within the amounts provided, the office of the superintendent of public instruction shall develop a model policy that further defines the recommended roles and responsibilities of graduation coaches and identifies best practices for how graduation coaches work in coordination with school counselors and in the context of a comprehensive school guidance and counseling program.

(iv) Within the amounts provided, $1,600,000 in fiscal year 2012 is for development of a new electronic certification system for educators,

pursuant to Substitute House Bill No. 1449 (educator certificate fee). Beginning in fiscal year 2013, if system development is complete, the e-certification system will be supported by proceeds from the educator certification processing account.

(b) $1,384,000 of the general fund--state appropriation for fiscal year 2012 and $636,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for activities associated with the implementation of new school finance systems required by chapter 236, Laws of 2010 (K-12 education funding) and chapter 548, Laws of 2009 (state's education system), including technical staff, systems reprogramming, and workgroup deliberations, including the quality education council.

(c) $851,000 of the general fund--state appropriation for fiscal year 2012 and $851,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities.

(d) $1,636,000 of the general fund--state appropriation for fiscal year 2012 and $1,253,000 of the general fund--state appropriation for fiscal year 2013 are provided solely to the professional educator standards board for the following:

(i) $909,000 in fiscal year 2012 and $909,000 in fiscal year 2013 are for the operation and expenses of the Washington professional educator standards board; and

(ii) $687,000 of the general fund--state appropriation for fiscal year 2012 and $305,000 of the general fund--state appropriation for fiscal year 2013 are for conditional scholarship loans and mentor stipends provided through the alternative routes to certification program administered by the professional educator standards board, including the pipeline for paraeducators program and the retooling to teach conditional loan programs. Funding within this subsection (1)(d)(ii) is also provided for the recruiting Washington teachers program. Funding reductions in this subsection (1)(d)(ii) in the 2011-2013 fiscal biennium are intended to be one-time.

(iii) $40,000 of the general fund--state appropriation for fiscal year 2012 and $39,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the implementation of Engrossed Second Substitute House Bill No. 1593 (principal

certification), including the development of a residency provisional principal certification for candidates with demonstrated professional and managerial leadership experiences. If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

(e) $133,000 of the general fund--state appropriation for fiscal year 2012 and $133,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the implementation of chapter 240, Laws of 2010, including staffing the office of equity and civil rights.

(f) $100,000 of the general fund--state appropriation for fiscal year 2012 and $100,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the ongoing work of the achievement gap oversight and accountability committee.

(g) $45,000 of the general fund--state appropriation for fiscal year 2012 and $45,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the implementation of chapter 380, Laws of 2009 (enacting the interstate compact on educational opportunity for military children).

(h) $60,000 of the general fund--state appropriation for fiscal year 2012 and $15,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the implementation of Second Substitute House Bill No. 1163 (bullying prevention), which requires the office of the superintendent of public instruction to convene an ongoing workgroup on school bullying and harassment prevention. If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

(i) $100,000 of the general fund--state appropriation for fiscal year 2012 and $100,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the implementation of Engrossed Second Substitute House Bill No. 1546 (innovation schools and zones). The funding supports a school innovation program which grants waivers of state statutes or administrative rules to encourage innovation in educational practice. If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

(j) $182,000 of the general fund--state appropriation for fiscal year 2012 and $59,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the implementation of

Engrossed Second Substitute House Bill No. 1443 (education reforms). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

(k) $209,000 of the general fund--state appropriation for fiscal year 2012 and $230,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the implementation of Engrossed Substitute House Bill No. 1849 (state education council), including the establishment of a state education council to consider proposals for education governance in Washington. If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

(l) $1,534,000 of the general fund--state appropriation for fiscal year 2012 and $1,534,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for implementing a comprehensive data system to include financial, student, and educator data, including development and maintenance of the comprehensive education data and research system (CEDARS). The office of the superintendent of public instruction will convene a data governance group to define operating rules and a governance structure for K-12 data collections, and collaborate with the education research and data center to facilitate analysis of data across education sectors.

(m) $25,000 of the general fund--state appropriation for fiscal year 2012 and $25,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for project citizen, a program sponsored by the national conference of state legislatures and the center for civic education to promote participation in government by middle school students.

(2) $9,320,000 of the general fund--state appropriation for fiscal year 2012, $9,220,000 of the general fund--state appropriation for fiscal year 2013, and $55,890,000 of the general fund--federal appropriation are for statewide programs.

(a) HEALTH AND SAFETY

(i) $2,541,000 of the general fund--state appropriation for fiscal year 2012 and $2,541,000 of the general fund--state appropriation for fiscal year 2013 are provided solely 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) $96,000 of the general fund--state appropriation for fiscal year 2012 and $96,000 of the general fund--state appropriation for fiscal year 2013 are provided solely 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.

(iii) $100,000 of the general fund--state appropriation for fiscal year 2012 and $100,000 of the general fund--state appropriation for fiscal year 2013 are provided solely 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.

(iv) $50,000 of the general fund--state appropriation for fiscal year 2012 and $50,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for a nonviolence and leadership training program provided by the institute for community leadership.

(b) TECHNOLOGY

$872,000 of the general fund--state appropriation for fiscal year 2012 and $872,000 of the general fund--state appropriation for fiscal year 2013 are provided solely 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) $675,000 of the general fund--state appropriation for fiscal year 2012 and $675,000 of the general fund--state appropriation for fiscal year 2013 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.

(ii) $1,000,000 of the general fund--state appropriation for fiscal year 2012 and $1,000,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for contracting with a college scholarship organization with expertise in conducting outreach to students concerning eligibility for the Washington college bound scholarship consistent with chapter 405, Laws of 2007.

(iii) $2,924,000 of the general fund--state appropriation for fiscal year 2012 and $2,924,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the dissemination of the navigation 101 curriculum to all districts. The funding shall support electronic student planning tools and software for analyzing the impact of navigation 101 on student performance, as well as grants to a maximum of one hundred school districts each year, based on progress and need for the implementation of the navigation 101 program. The implementation grants shall be awarded to a cross-section of school districts reflecting a balance of geographic and demographic characteristics. Within the amounts provided, the office of the superintendent of public instruction will create a navigation 101 accountability model to analyze the impact of the program.

(iv) $337,000 of the general fund--state appropriation for fiscal year 2012 and $337,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for implementation of the building bridges statewide program for comprehensive dropout prevention, intervention, and reengagement strategies.

(v) $150,000 of the general fund--state appropriation for fiscal year 2012 and $150,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for dropout prevention programs at the office of the superintendent of public instruction, including the jobs for America's graduates (JAG) program.

(vi) $75,000 of the general fund--state appropriation for fiscal year 2012 and $75,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for a pilot project to encourage bilingual high school students to pursue public school teaching as a profession. Using the full amounts of the appropriation under this subsection, the office of the superintendent of public instruction shall contract with the Latino/a educational achievement project (LEAP) to work with school districts to identify and mentor not fewer than fifty bilingual students in their junior year of high school, encouraging them to become bilingual instructors in schools with high English language learner populations. Students shall be mentored by bilingual teachers and complete a curriculum developed and approved by the participating districts.

(vii) $500,000 of the general fund--state appropriation for fiscal year 2012 and $400,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the implementation of Substitute House Bill No. 1510 (state-funded kindergarten), including the development and implementation of the Washington kindergarten inventory of developing skills (WaKIDS). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

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

General Fund--State Appropriation (FY 2012) $5,506,815,000
General Fund--State Appropriation (FY 2013) $5,392,527,000
TOTAL APPROPRIATION $10,899,342,000

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

(1)(a) 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.

(b) For the 2011-12 and 2012-13 school years, the superintendent shall allocate general apportionment funding to school districts as provided in the funding formulas and salary schedules in sections 502 and 503 of this act, excluding (c) of this subsection.

(c) From July 1, 2011 to August 31, 2011, the superintendent shall allocate general apportionment funding to school districts programs as

provided in sections 502 and 504, chapter 564, Laws of 2009, as amended through sections 1402 and 1403 of this act.

(2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

Allocations for certificated instructional staff salaries for the 2011-12 and 2012-13 school years are determined using formula-generated staff units calculated pursuant to this subsection.

(a) Certificated instructional staff units, as defined in RCW 28A.150.410, shall be allocated to reflect the minimum class size allocations, requirements, and school prototypes assumptions as provided in RCW 28A.150.260. The superintendent shall adjust allocations to school districts based on the district's annual average full-time equivalent student enrollment in each grade.

(b) Additional certificated instructional staff units provided in this subsection (2) that exceed the minimum requirements in RCW 28A.150.260 are enhancements outside the program of basic education, except as otherwise provided in this section.

(c)(i) The superintendent shall base allocations for each level of prototypical school on the following regular education average class size of full-time equivalent students per teacher, except as provided in (c)(ii) of this subsection:

General education class size:

Grade	RCW 28A.150.260
Grades K-3	25.23
Grade 4	27.00
Grades 5-6	27.00
Grades 7-8	28.53
Grades 9-12	28.74

The superintendent shall base allocations for career and technical education (CTE) and skill center programs average class size as provided in RCW 28A.150.260.

(ii) For each level of prototypical school at which more than fifty percent of the students were eligible for free and reduced-price meals as determined by a rolling average of enrollment from the three most recently completed school years, the superintendent shall allocate

funding based on the following average class size of full-time equivalent students per teacher:

General education class size in high poverty school:	
Grades K-3	24.23
Grade 4	27.00
Grades 5-6	27.00
Grades 7-8	28.53
Grades 9-12	28.74

(iii) Pursuant to RCW 28A.150.200 to implement RCW 28A.150.260(4)(b), class size reductions in grades K-3 that exceed the requirements of RCW 28A.150.260(4)(a) are within the program of basic education.

(iv) Pursuant to RCW 28A.150.260(4)(a), the assumed teacher planning period, expressed as a percentage of a teacher work day, is 13.42 percent in grades K-6, and 16.67 percent in grades 7-12; and

(v) Laboratory science, advanced placement, and international baccalaureate courses are funded at the same class size assumptions as general education schools in the same grade; and

(d)(i) Funding for teacher librarians, school nurses, social workers, school psychologists, and guidance counselors is allocated based on the school prototypes as provided in RCW 28A.150.260 and is considered certificated instructional staff, except as provided in (d)(ii) of this subsection.

(ii) Students in approved career and technical education and skill center programs generate certificated instructional staff units to provide for the services of teacher librarians, school nurses, social workers, school psychologists, and guidance counselors at the following combined rate per 1000 students:

Career and Technical Education
students . . . . . 2.02 per 1000 student FTE's
Skill Center students . . . . . 2.36 per 1000 student FTE's

(3) ADMINISTRATIVE STAFF ALLOCATIONS

(a) Allocations for school building-level certificated administrative staff salaries for the 2011-12 and 2012-13 school years

for general education students are determined using the formula-generated staff units provided in RCW 28A.150.260, and adjusted based on a district's annual average full-time equivalent student enrollment in each grade.

(b) Students in approved career and technical education and skill center programs generate certificated school building-level administrator staff units at per student rates that exceed the general education rate in (a) of this subsection by the following percentages:

Career and Technical Education students . . . . . 2.5 percent
Skill Center students . . . . . 19.75 percent

(4) CLASSIFIED STAFF ALLOCATIONS

Allocations for classified staff units providing school building-level and district-wide support services for the 2011-12 and 2012-13 school years are determined using the formula-generated staff units provided in RCW 28A.150.260, and adjusted based on each district's annual average full-time equivalent student enrollment in each grade.

(5) CENTRAL OFFICE ALLOCATIONS

In addition to classified and administrative staff units allocated in subsections (3) and (4) of this section, classified and administrative staff units are provided for the 2011-12 and 2012-13 school year for the central office administrative costs of operating a school district, at the following rates:

(a) The total central office staff units provided in this subsection (5) are calculated by first multiplying the total number of eligible certificated instructional, certificated administrative, and classified staff units providing school-based or district-wide support services, as identified in RCW 28A.150.260(6)(b), by 5.3 percent.

(b) Of the central office staff units calculated in (a) of this subsection, 74.53 percent are allocated as classified staff units, as generated in subsection (4) of this section, and 25.47 percent shall be allocated as administrative staff units, as generated in subsection (3) of this section.

(c) Staff units generated as enhancements outside the program of basic education to the minimum requirements of RCW 28A.150.260, and staff units generated by skill center and career-technical students, are excluded from the total central office staff units calculation in (a) of this subsection.

(d) For students in approved career-technical and skill center programs, central office classified units are allocated at the same staff unit per student rate as those generated for general education students of the same grade in this subsection (5), and central office administrative staff units are allocated at staff unit per student rates that exceed the general education rate established for students in the same grade in this subsection (5) by 3.69 percent for career and technical education students, and 21.92 percent for skill center students.

(6) FRINGE BENEFIT ALLOCATIONS

Fringe benefit allocations shall be calculated at a rate of 16.30 percent in the 2011-12 school year and 16.30 percent in the 2012-13 school year for certificated salary allocations provided under subsections (2), (3), and (5) of this section, and a rate of 18.68 percent in the 2011-12 school year and 18.68 percent in the 2012-13 school year for classified salary allocations provided under subsections (4) and (5) of this section.

(7) INSURANCE BENEFIT ALLOCATIONS

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

(a) The number of certificated staff units determined in subsections (2), (3), and (5) of this section; and

(b) The number of classified staff units determined in subsections (4) and (5) 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.

(8) MATERIALS, SUPPLIES, AND OPERATING COSTS (MSOC) ALLOCATIONS

Funding is allocated per annual average full-time equivalent student for the maintenance, supplies, and operating costs (MSOC) incurred by school districts, consistent with the requirements of RCW 28A.150.260.

(a) MSOC funding for general education students are allocated at the following per student rates:

MSOC RATES/STUDENT FTE

MSOC Component	2011-12 SCHOOL YEAR	2012-13 SCHOOL YEAR
Technology	$57.02	$57.99
Utilities and Insurance	$154.93	$157.56
Curriculum and Textbooks	$61.22	$62.26
Other Supplies and Library Materials	$129.97	$132.18
Instructional Professional Development for Certificated and Classified Staff	$9.47	$9.63
Facilities Maintenance	$76.75	$78.06
Security and Central Office	$53.17	$54.08
TOTAL BASIC EDUCATION MSOC/STUDENT FTE	$542.53	$551.76

(b) Students in approved skill center programs generate per student FTE MSOC allocations which equal the rate for general education students calculated in (a) of this subsection, multiplied by a factor of 2.187.

(c) Students in approved exploratory and preparatory career and technical education programs generate a per student MSOC allocation that is equal to the rate for general education students calculated in (a) of this subsection, multiplied by a factor of 2.459.

(d) Students in laboratory science courses generate per student FTE MSOC allocations which equal the per student FTE rate for general education students established in (a) of this subsection.

(9) SUBSTITUTE TEACHER ALLOCATIONS

For the 2011-12 and 2012-13 school years, funding for substitute costs for classroom teachers is based on four (4) funded substitute days per classroom teacher unit generated under subsection (2) of this section, at a daily substitute rate of $151.86.

(10) ALTERNATIVE LEARNING EXPERIENCE PROGRAM FUNDING

(i) Beginning in the 2011-12 school year, general apportionment allocations resulting from this section and compensation factors in sections 503 and 504 of this act shall be multiplied by a factor of

.801 for students participating in alternative learning experience (ALE) programs defined in WAC 392-121-182.

(ii) School districts providing ALE programs as defined in WAC 392-121-182 may not provide any compensation, reimbursement, gift, reward, or gratuity to any parents, guardians, or students for participation in ALE programs. This prohibition includes, but is not limited to, providing funds to parents, guardians, or students for the purchase of educational materials, supplies, experiences, services, or technological equipment. A district may purchase educational materials, equipment, or other nonconsumable supplies for students' use in ALE programs if the purchase is consistent with laws and rules and made in the same manner as such purchases are made for students in the district's non-ALE program. Items so purchased remain the property of the school district upon ALE program completion. These requirements in this subsection extend to private and multidistrict cooperative ALE providers, and each district shall be responsible for monitoring the compliance of its ALE providers with this subsection.

(iii) The superintendent of public instruction shall require all districts receiving general apportionment funding for alternative learning experience (ALE) programs as defined in WAC 392-121-182 to provide separate financial accounting of expenditures for the ALE programs offered in district or with a provider, including but not limited to private companies and multidistrict cooperatives, as well as accurate, monthly headcount and FTE enrollment claimed for basic education, including separate counts of resident and nonresident students.

(11) VOLUNTARY FULL DAY KINDERGARTEN PROGRAMS

Funding in this section is sufficient to fund voluntary full day kindergarten programs in qualifying high poverty schools, pursuant to RCW 28A.150.220 and 28A.150.315. Each kindergarten student who enrolls for the voluntary full-day program in a qualifying school shall count as one-half of one full-time equivalent student for purpose of making allocations under this section. Funding in this section provides full-day kindergarten programs for 21 percent of kindergarten enrollment in the 2011-12 school year, and 22 percent in the 2012-13 school year. Funding priority shall be given to schools with the highest poverty levels, as measured by a three-year rolling average of free and reduced price lunch eligibility rates in each school, based on data from the

three most recently completed school years. Funding in this section is sufficient to fund voluntary full day kindergarten programs for July and August of the 2010-11 school year. Pursuant to RCW 28A.150.200 and to implement the phase-in schedule of RCW 28A.150.315, all increases in the percentage of students served in the voluntary full day kindergarten program are within the program of basic education.

(12) ADDITIONAL FUNDING FOR SMALL SCHOOL DISTRICTS AND REMOTE AND NECESSARY PLANTS

For small school districts and remote and necessary school plants within any district which have been judged to be remote and necessary by the state board of education, additional staff units are provided to ensure a minimum level of staffing support. Additional administrative and certificated instructional staff units provided to districts in this subsection shall be reduced by the staff units otherwise provided in subsections (2) through (5) of this section on a per district basis.

(a) 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;

(b) 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;

(c) 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;

(d) 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;

(e) 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;

(f)(i) For enrollments generating certificated staff unit allocations under this subsection, one classified staff unit for each 2.94 certificated staff units allocated under such subsections;

(ii) 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; and

(g) School districts receiving additional staff units to support small student enrollments and remote and necessary plants under subsection (12) of this section shall generate additional MSOC allocations consistent with the nonemployee related costs (NERC) allocation formula in place for the 2010-11 school year as provided section 502, chapter 37, Laws of 2010 1st sp. sess. (2010 supplemental budget), adjusted for annually for inflation.

(13) 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.

(14) The superintendent may distribute a maximum of $2,479,000 outside the basic education formula during fiscal years 2012 and 2013 as follows:

(a) $589,000 of the general fund--state appropriation for fiscal year 2012 and $599,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for fire protection for school districts located in a fire protection district as now or hereafter established pursuant to chapter 52.04 RCW.

(b) $436,000 of the general fund--state appropriation for fiscal year 2012 and $436,000 of the general fund--state appropriation for fiscal year 2013 are provided solely 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.

(c) Funding in this section is sufficient to fund adjustments to school districts' allocations resulting from the implementation of the prototypical school funding formula, pursuant to chapter 236, Laws of 2010 (K-12 education funding). The funding in this section is intended to hold school districts harmless in total for funding changes

resulting from conversion to the prototypical school formula in the general apportionment program, the learning assistance program, the transitional bilingual program, and the highly capable program, after adjustment for changes in enrollment and other caseload adjustments.

(15) $208,000 of the general fund--state appropriation for fiscal year 2012 and $211,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for school district emergencies as certified by the superintendent of public instruction. At the close of the fiscal year the superintendent of public instruction shall report to the office of financial management and the appropriate fiscal committees of the legislature on the allocations provided to districts and the nature of the emergency.

(16) Amounts in this section include adjustments made by the superintendent of public instruction for the repayment of financial contingency funds allocated in fiscal year 2011, as specified in section 501 of the 2011 supplemental budget (chapter 5, Laws of 2011). For any amount allocated to a district in state fiscal year 2011, the superintendent of public instruction shall deduct in state fiscal year 2012 from the district's general apportionment the amount of the emergency contingency allocation and any earnings by the school district on the investment of a temporary cash surplus due to the emergency contingency allocation. Repayments or advances will be accomplished by a reduction in the school district's apportionment payments on or before June 30th of the school year following the distribution of the emergency contingency allocation. All disbursements, repayments, and outstanding allocations to be repaid of the emergency contingency pool shall be reported to the office of financial management and the appropriate fiscal committees of the legislature on July 1st and January 1st of each year.

(17) Funding in this section is sufficient to fund a maximum of 1.6 FTE enrollment for skills center students pursuant to chapter 463, Laws of 2007.

(18) Beginning in the 2011-12 school year, students participating in running start programs may be funded up to a combined maximum enrollment of 1.2 FTE including school district and institution of higher education enrollment. Additionally, the office of the superintendent of public instruction, in consultation with the state board for community and technical colleges, the higher education

coordinating board, and the education data center, shall annually track and report to the fiscal committees of the legislature on the combined FTE experience of students participating in the running start program, including course load analyses at both the high school and community and technical college system.

(19) If two or more school districts consolidate and each district was receiving additional basic education formula staff units pursuant to subsection (12) of this section, the following 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 (12) of this section shall be reduced in increments of twenty percent per year.

(20)(a) Indirect cost charges by a school district to approved career and technical education middle and secondary programs shall not exceed 15 percent of the combined basic education and career and technical education program enhancement allocations of state funds. Middle and secondary career and technical education programs are considered separate programs for funding and financial reporting purposes under this section.

(b) Career and technical education program 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 career and technical education program enrollments on the same monthly basis as those adjustments for enrollment for students eligible for basic support.

NEW SECTION. **Sec. 503. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION EMPLOYEE COMPENSATION**

(1) The following calculations determine the salaries used in the state allocations for certificated instructional, certificated administrative, and classified staff units as provided in RCW 28A.150.280 and under section 503 of this act:

(a) Salary allocations for certificated instructional staff units are determined for each district by multiplying the district's certificated instructional total base salary shown on LEAP Document 2 by the district's average staff mix factor for certificated instructional staff in that school year, computed using LEAP document 1; and

(b) Salary allocations for certificated administrative staff units and classified staff units for each district are determined based on the district's certificated administrative and classified salary allocation amounts shown on LEAP Document 2.

(2) For the purposes of this section:

(a) "LEAP Document 1" means the 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 April 1, 2011, at 6:00 hours; and

(b) "LEAP Document 2" means the 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 1, 2011, at 6:00 hours.

(3) Incremental fringe benefit factors are applied to salary adjustments at a rate of 15.66 percent for school year 2011-12 and 15.66 percent for school year 2012-13 for certificated instructional and certificated administrative staff and 15.18 percent for school year 2011-12 and 15.18 percent for the 2012-13 school year for classified staff.

(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:

Table Of Total Base Salaries For Certificated Instructional Staff

For School Year 2011-12

*** Education Experience ***

Years of Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	MA+90 OR Ph.D.
0	34,048	34,968	35,920	36,875	39,939	41,913	40,820	43,885	45,860

1	34,506	35,439	36,403	37,400	40,496	42,459	41,274	44,370	46,332
2	34,943	35,884	36,859	37,933	41,020	43,004	41,731	44,818	46,802
3	35,393	36,343	37,329	38,437	41,518	43,549	42,164	45,243	47,276
4	35,834	36,826	37,818	38,964	42,064	44,110	42,618	45,718	47,765
5	36,290	37,287	38,288	39,498	42,586	44,673	43,080	46,169	48,256
6	36,759	37,734	38,769	40,039	43,113	45,211	43,552	46,626	48,723
7	37,582	38,572	39,621	40,960	44,079	46,235	44,438	47,556	49,713
8	38,787	39,831	40,905	42,355	45,516	47,751	45,832	48,994	51,228
9		41,135	42,262	43,765	46,999	49,310	47,241	50,477	52,788
10			43,635	45,247	48,524	50,913	48,724	52,003	54,390
11				46,772	50,121	52,557	50,249	53,599	56,034
12				48,249	51,761	54,269	51,835	55,238	57,748
13					53,440	56,024	53,476	56,918	59,501
14					55,128	57,844	55,165	58,716	61,322
15					56,563	59,349	56,599	60,242	62,917
16 or more					57,693	60,535	57,731	61,447	64,174

Table Of Total Base Salaries For Certificated Instructional Staff

For School Year 2012-13

*** Education Experience ***

Years of Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	MA+90 OR Ph.D.
0	34,048	34,968	35,920	36,875	39,939	41,913	40,820	43,885	45,860
1	34,506	35,439	36,403	37,400	40,496	42,459	41,274	44,370	46,332
2	34,943	35,884	36,859	37,933	41,020	43,004	41,731	44,818	46,802
3	35,393	36,343	37,329	38,437	41,518	43,549	42,164	45,243	47,276
4	35,834	36,826	37,818	38,964	42,064	44,110	42,618	45,718	47,765
5	36,290	37,287	38,288	39,498	42,586	44,673	43,080	46,169	48,256
6	36,759	37,734	38,769	40,039	43,113	45,211	43,552	46,626	48,723
7	37,582	38,572	39,621	40,960	44,079	46,235	44,438	47,556	49,713
8	38,787	39,831	40,905	42,355	45,516	47,751	45,832	48,994	51,228
9		41,135	42,262	43,765	46,999	49,310	47,241	50,477	52,788
10			43,635	45,247	48,524	50,913	48,724	52,003	54,390
11				46,772	50,121	52,557	50,249	53,599	56,034

12	48,249	51,761	54,269	51,835	55,238	57,748
13		53,440	56,024	53,476	56,918	59,501
14		55,128	57,844	55,165	58,716	61,322
15		56,563	59,349	56,599	60,242	62,917
16 or more		57,693	60,535	57,731	61,447	64,174

(b) During the 2011-12 and 2012-13 school years, the salary allocations for certificated instructional staff shall exclude the following:

(i) Any years of service earned after August 31, 2010;

(ii) Any educational credits earned after October 1, 2010, excluding certificated instructional staff meeting the criteria in (iii) of this subsection;

(iii) For certificated instructional staff with zero years of experience, districts shall recognize credits earned as of October 1, 2010;

(iv) For certificated instructional staff receiving initial certification after October 1, 2010, districts shall recognize credits earned as of the date of approval of their Washington state instructional certificate.

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

(d) 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 part V, 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 salary allocation schedules established in this section are for allocation purposes only except as provided in RCW 28A.400.200(2).

NEW SECTION. **Sec. 504. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS**

(1)(a) Additional salary adjustments as necessary to fund the base salaries for certificated instructional staff as listed for each district in LEAP Document 2, defined in section 504(2)(b) of this act. Allocations for these salary adjustments shall be provided to all districts that are not grandfathered to receive salary allocations above the statewide salary allocation schedule, and to certain grandfathered districts to the extent necessary to ensure that salary allocations for districts that are currently grandfathered do not fall below the statewide salary allocation schedule.

(b) Additional salary adjustments to certain districts as necessary to fund the per full-time-equivalent salary allocations for certificated administrative staff as listed for each district in LEAP Document 2, defined in section 504(2)(b) of this act.

(c) Additional salary adjustments to certain districts as necessary to fund the per full-time-equivalent salary allocations for classified staff as listed for each district in LEAP Document 2, defined in section 504(2)(b) of this act.

(d) The appropriations in this subsection (1) include associated incremental fringe benefit allocations at 15.66 percent for the 2011-12 school year and 15.66 percent for the 2012-13 school year for certificated instructional and certificated administrative staff and

15.18 percent for the 2011-12 school year and 15.18 percent for the 2012-13 school year for classified staff.

(e) The appropriations in this section include the increased or decreased portion of salaries and incremental fringe benefits for all relevant state-funded school programs in part V of this act. Changes for general apportionment (basic education) are based on the salary allocation schedules and methodology in sections 503 and 504 of this act. Changes for special education result from changes in each district's basic education allocation per student. Changes 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 503 and 504 of this act.

(f) The appropriations in this section include no salary adjustments for substitute teachers.

(2) The maintenance rate for insurance benefit allocations is $768.00 per month for the 2011-12 and 2012-13 school years. The appropriations in this section reflect the incremental change in cost of allocating rates of $768.00 per month for the 2011-12 school year and $768.00 per month for the 2012-13 school year.

(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 2012) $325,183,000
General Fund--State Appropriation (FY 2013) $328,336,000
TOTAL APPROPRIATION $653,519,000

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) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school district programs for the transportation of students as provided in RCW 28A.160.192.

(b) From July 1, 2011 to August 31, 2011, the superintendent shall

allocate funding to school districts programs for the transportation of students as provided in section 505, chapter 564, Laws of 2009, as amended through section 1404 of this act.

(3) Any amounts appropriated for maintenance level funding for pupil transportation that exceed actual maintenance level expenditures as calculated under the funding formula that takes effect September 1, 2011, shall be distributed to districts according to RCW 28A.160.192(2)(b).

(4) A maximum of $878,000 of this fiscal year 2010 appropriation and a maximum of $892,000 of the fiscal year 2011 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.

(5) The office of the superintendent of public instruction shall provide reimbursement funding to a school district for school bus purchases 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.

(6) The superintendent of public instruction shall base depreciation payments for school district buses on the pre-sales tax 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 lowest bid in the appropriate bus category for that school year.

(7) Funding levels in this section reflect waivers granted by the state board of education for four-day school weeks as allowed under RCW 28A.305.141.

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

General Fund--State Appropriation (FY 2012) $7,111,000
General Fund--State Appropriation (FY 2013) $7,111,000
General Fund--Federal Appropriation $391,988,000
TOTAL APPROPRIATION $406,210,000

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

(1) $7,111,000 of the general fund--state appropriation for fiscal year 2012 and $7,111,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for state matching money for federal child nutrition programs, and may support the meals for kids program through the following allowable uses:

(a) Elimination of breakfast copays for income-eligible children and lunch copays for students in grades kindergarten through third grade who are eligible for reduced price lunch;

(b) Assistance to school districts and authorized nonprofit entities for supporting summer food service programs, and initiating new summer food service programs in low-income areas; and

(c) Reimbursements to school districts for school breakfasts served to students eligible for free and reduced price lunch, pursuant to chapter 287, Laws of 2005.

The office of the superintendent of public instruction shall report annually to the fiscal committees of the legislature on annual expenditures in (a), (b), and (c) of this subsection.

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

General Fund--State Appropriation (FY 2012) $676,516,000
General Fund--State Appropriation (FY 2013) $710,700,000
General Fund--Federal Appropriation $664,564,000
Education Legacy Trust Account--State Appropriation $756,000
TOTAL APPROPRIATION $2,052,536,000

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 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 superintendent of public instruction shall continue to implement the full cost method of excess cost accounting, as designed by the committee and recommended by the superintendent, pursuant to section 501(1)(k), chapter 372, Laws of 2006.

(c) Beginning with the 2010-11 school year award cycle, the office of the superintendent of public instruction shall make award determinations for state safety net funding in August of each school year. Determinations on school district eligibility for state safety net awards shall be based on analysis of actual expenditure data from the current school year.

(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)(a) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school district programs for special education students as provided in RCW 28A.150.390.

(b) From July 1, 2011 to August 31, 2011, the superintendent shall allocate funding to school district programs for special education students as provided in section 507, chapter 564, Laws of 2009, as amended through section 1406 of this act.

(5) The following applies throughout this section: The definitions for enrollment and enrollment percent are as specified in RCW 28A.150.390(3). 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.

(6) 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 RCW 28A.150.390(3) (c) and (d), 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.

(7) $16,403,927 of the general fund--state appropriation for fiscal year 2012, $31,355,344 of the general fund--state appropriation for fiscal year 2013, and $29,574,000 of the general fund--federal appropriation are provided solely for safety net awards for districts with demonstrated needs for special education funding beyond the amounts provided in subsection (4) of this section. If the federal safety net awards based on the federal eligibility threshold exceed the federal appropriation in this subsection (7) in any fiscal year, the superintendent shall expend all available federal discretionary funds necessary to meet this need. At the conclusion of each school year, the superintendent shall recover safety net funds that were distributed prospectively but for which districts were not subsequently eligible.

(a) For the 2011-12 and 2012-13 school years, safety net funds shall be awarded by the state safety net oversight committee as provided in section 109(1) chapter 548, Laws of 2009 (ESHB 2261).

(b) From July 1, 2011 to August 31, 2011, the superintendent shall operate the safety net oversight committee and shall award safety net funds as provided in section 507, chapter 564, Laws of 2009, as amended through section 1406 of this act.

(8) 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.

(9) 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.

(10) 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, carryover funds shall be expended in the special education program.

(11) $251,000 of the general fund--state appropriation for fiscal year 2012 and $251,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for two additional full-time equivalent staff to support the work of the safety net committee and to provide training and support to districts applying for safety net awards.

(12) $50,000 of the general fund--state appropriation for fiscal year 2012, $50,000 of the general fund--state appropriation for fiscal year 2013, and $100,000 of the general fund--federal appropriation shall be expended to support a special education ombudsman program within the office of superintendent of public instruction.

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

General Fund--State Appropriation (FY 2012) $9,063,000
General Fund--State Appropriation (FY 2013) $8,922,000
TOTAL APPROPRIATION $17,985,000

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) $4,219,000 of the general fund--state appropriation for fiscal year 2012 and $4,219,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for regional professional development related to mathematics and science curriculum and instructional strategies. Funding shall be distributed among the educational service districts in the same proportion as distributions in the 2007-2009 biennium. Each educational service district shall use this funding solely for salary and benefits for a certificated instructional staff with expertise in the appropriate subject matter and in professional development delivery, and for travel, materials, and other expenditures related to providing regional professional development support.

(3) 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.

(4) $166,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for the implementation of Substitute House Bill No. 1431 (school district insolvency). Funding is provided to develop a clear legal framework and process for dissolution of a school district. If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

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

General Fund--State Appropriation (FY 2012) $303,337,000
General Fund--State Appropriation (FY 2013) $308,445,000
TOTAL APPROPRIATION $611,782,000

The appropriations in this section are subject to the following conditions and limitations: For purposes of RCW 84.52.0531, the increase per full-time equivalent student is 3 percent from the 2010-11 school year to the 2011-12 school year and 5 percent from the 2011-12 school year to the 2012-13 school year.

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

General Fund--State Appropriation (FY 2012) $16,650,000
General Fund--State Appropriation (FY 2013) $16,297,000
TOTAL APPROPRIATION $32,947,000

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. During the 2011-12 and 2012-13 school

years, the salary allocations and subsequent compensation allocations for certificated instructional staff shall exclude the following:

(a) Any years of service earned after August 31, 2010;

(b) Any educational credits earned after October 1, 2010, excluding certificated instructional staff meeting the criteria in (c) of this subsection;

(c) For certificated instructional staff with zero years of experience, districts shall recognize credits earned as of October 1, 2010; and

(d) For certificated instructional staff receiving initial certification after October 1, 2010, districts shall recognize credits earned as of the date of approval of their Washington state instructional certificate.

(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) $509,000 of the general fund--state appropriation for fiscal year 2012 and $509,000 of the general fund--state appropriation for fiscal year 2013 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, programs for juveniles under the juvenile rehabilitation administration, and programs for juveniles operated by city and county jails.

(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 PROGRAMS FOR HIGHLY CAPABLE STUDENTS**

General Fund--State Appropriation (FY 2012) $8,965,000

General Fund--State Appropriation (FY 2013) $9,081,000

TOTAL APPROPRIATION $18,046,000

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) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school district programs for highly capable students as provided in RCW 28A.150.260(10)(c). In calculating the allocations, the superintendent shall assume the following: (i) Additional instruction of 2.1590 hours per week per funded highly capable program student; (ii) fifteen highly capable program students per teacher; (iii) 36 instructional weeks per year; (iv) 900 instructional hours per teacher; and (v) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(b) From July 1, 2011, to August 31, 2011, the superintendent shall allocate funding to school districts programs for highly capable students as provided in section 511, chapter 564, Laws of 2009, as amended through section 1409 of this act.

NEW SECTION. **Sec. 512. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS--NO CHILD LEFT BEHIND ACT**

General Fund--Federal Appropriation $7,352,000

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

General Fund--State Appropriation (FY 2012) $58,306,000
General Fund--State Appropriation (FY 2013) $101,167,000
General Fund--Federal Appropriation $152,655,000
Education Legacy Trust Account--State Appropriation $1,633,000
TOTAL APPROPRIATION $313,761,000

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

(1) $39,956,000 of the general fund--state appropriation for fiscal year 2012, $43,232,000 of the general fund--state appropriation for fiscal year 2013, $1,350,000 of the education legacy trust account--state appropriation, and $15,868,000 of the general fund--

federal appropriation are provided solely for development and implementation of the Washington state assessment system, including: (a) Development and implementation of retake assessments for high school students who are not successful in one or more content areas and (b) development and implementation of alternative assessments or appeals procedures to implement the certificate of academic achievement. The superintendent of public instruction shall report quarterly on the progress on development and implementation of alternative assessments or appeals procedures. Within these amounts, the superintendent of public instruction shall contract for the early return of 10th grade student assessment results, on or around June 10th of each year.

(2) $395,000 of the general fund--state appropriation for fiscal year 2012 and $395,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the Washington state leadership and assistance for science education reform (LASER) regional partnership activities coordinated at the Pacific science center, including instructional material purchases, teacher and principal professional development, and school and community engagement events.

(3) $105,754,000 of the general fund--federal appropriation is for preparing, training, and recruiting high quality teachers and principals under Title II of the no child left behind act.

(4) $980,000 of the general fund--state appropriation for fiscal year 2012 and $980,000 of the general fund--state appropriation for fiscal year 2013 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.

(5) $3,852,000 of the general fund--state appropriation for fiscal year 2012 and $2,624,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for continued implementation of chapter 235, Laws of 2010 (education reform) including development of new performance-based evaluation systems for certificated educators.

(6)(a) $40,792,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for the following bonuses for teachers who hold valid, unexpired certification from the national

board for professional teaching standards and who are teaching in a Washington public school, subject to the following conditions and limitations:

(i) For national board certified teachers, a bonus of $5,090 per teacher in the 2011-12 and 2012-13 school years, adjusted for inflation in each school year in which Initiative 732 cost of living adjustments are provided;

(ii) An additional $5,000 annual bonus shall be paid to national board certified teachers who teach in either: (A) High schools where at least 50 percent of student headcount enrollment is eligible for federal free or reduced price lunch, (B) middle schools where at least 60 percent of student headcount enrollment is eligible for federal free or reduced price lunch, or (C) elementary schools where at least 70 percent of student headcount enrollment is eligible for federal free or reduced price lunch;

(iii) The superintendent of public instruction shall adopt rules to ensure that national board certified teachers meet the qualifications for bonuses under (a)(ii) of this subsection for less than one full school year receive bonuses in a pro-rated manner. Beginning in the 2011-12 school year, all bonuses in (a)(i) and (ii) of this subsection will be paid in July of each school year. Bonuses in (a)(i) and (ii) of this subsection shall be reduced by a factor of 40 percent for first year NBPTS certified teachers, to reflect the portion of the instructional school year they are certified; and

(iv) During the 2011-12 and 2012-13 school years, and within available funds, certificated instructional staff who have met the eligibility requirements and have applied for certification from the national board for professional teaching standards may receive a conditional loan of two thousand dollars or the amount set by the office of the superintendent of public instruction to contribute toward the current assessment fee, not including the initial up-front candidacy payment. The fee shall be an advance on the first annual bonus under RCW 28A.405.415. The conditional loan is provided in addition to compensation received under a district's salary schedule and shall not be included in calculations of a district's average salary and associated salary limitation under RCW 28A.400.200. Recipients who fail to receive certification after three years are required to repay the conditional loan, not including the initial up-

front candidacy payment, as set by the national board for professional teaching standards and administered by the office of the superintendent of public instruction. The office of the superintendent of public instruction shall adopt rules to define the terms for initial grant of the assessment fee and repayment, including applicable fees.

(7)(a) $2,500,000 of the general fund--state appropriation for fiscal year 2012 and $2,500,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for phase I development grants and phase II implementation grants for school districts to adopt revised evaluation systems for teachers and principals that use the criteria and four-level rating systems specified under RCW 28A.405.100 and are based on the models developed by the pilot school districts under RCW 28A.405.100(7).

(b) In phase I, a school district is eligible to receive a development grant if the district submits to the office of the superintendent of public instruction by December 1, 2011, a resolution adopted by the school district board of directors and a memorandum of understanding signed by the local associations representing teachers and principals that the district will adopt revised evaluation systems by the end of the 2011-12 school year, in consultation and negotiation with the teachers and principals of the district.

(c) In phase II, a school district is eligible to receive an implementation grant if the district has executed agreements with the local associations representing teachers and principals to implement revised evaluation systems no later than the beginning of the 2012-13 school year. A school district may qualify for a grant under this subsection (11)(c) if the revised evaluation systems are implemented for some but not all staff, but implementation must be district-wide and not occur only in certain schools.

(d) School districts that adopted or implemented revised evaluation systems before the dates specified under this subsection are eligible to receive grants.

(e) The office of the superintendent of public instruction shall allocate development and implementation grants to school districts not to exceed the amounts provided under this subsection, with allocation to eligible districts on a first-come, first-served basis. Grant amounts shall be based on $10 per full-time equivalent student, except

that no district shall receive less than $10,000 per grant or more than $150,000 per grant.

(8) $530,000 of the general fund--state appropriation for fiscal year 2012 and $530,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the leadership internship program for superintendents, principals, and program administrators.

(9) $1,056,000 of the general fund--state appropriation for fiscal year 2012 and $1,056,000 of the general fund--state appropriation for fiscal year 2013 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 2011 through August 31, 2013.

(10) $900,000 of the general fund--state appropriation for fiscal year 2012 and $900,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the development of a leadership academy for school principals and administrators. The superintendent of public instruction shall contract with an independent organization to design, field test, and implement a state-of-the-art education leadership academy that will be accessible throughout the state. Initial development of the content of the academy activities shall be supported by private funds. Semiannually the independent organization shall report on amounts committed by foundations and others to support the development and implementation of this program. Leadership academy partners shall include the state level organizations for school administrators and principals, the superintendent of public instruction, the professional educator standards board, and others as the independent organization shall identify.

(11) $3,594,000 of the general fund--state appropriation for fiscal year 2012 and $3,594,000 of the general fund--state appropriation for fiscal year 2013 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.

(12) $3,283,000 of the general fund--state appropriation for fiscal year 2012 and $3,283,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the implementation of Engrossed Second Substitute House Bill No. 1599 (actual student success program), which establishes a system to award bonus incentives to schools and school districts that successfully reduce dropout rates and improve attendance. If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

(13) $150,000 of the general fund--state appropriation for fiscal year 2012 and $150,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for support of FIRST Robotics programs, if equally matched by private donations.

(14) $1,092,000 of the general fund--state appropriation for fiscal year 2012, $1,118,000 of the general fund--state appropriation for fiscal year 2013, and $283,000 of the education legacy trust account--state appropriation are for administrative support of education reform programs.

NEW SECTION. **Sec. 514. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL BILINGUAL PROGRAMS**

General Fund--State Appropriation (FY 2012) $86,852,000
General Fund--State Appropriation (FY 2013) $92,444,000
General Fund--Federal Appropriation $65,263,000
TOTAL APPROPRIATION $244,559,000

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) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school districts for transitional bilingual programs as provided in RCW 28A.150.260(10)(b). In calculating the allocations, the superintendent shall assume the following averages: (i) Additional instruction of 4.7780 hours per week per transitional bilingual program student; (ii) fifteen transitional bilingual program

students per teacher; (iii) 36 instructional weeks per year; (iv) 900 instructional hours per teacher; and (v) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(b) From July 1, 2011, to August 31, 2011, the superintendent shall allocate funding to school districts for transitional bilingual instruction programs as provided in section 514, chapter 564, Laws of 2009, as amended through section 1411 of this act.

(c) The allocations in this section reflect the implementation of a new funding formula for the transitional bilingual instructional program, effective September 1, 2011, as specified in RCW 28A.150.260(10)(b).

(3) The superintendent may withhold up to 1.5 percent of the school year allocations to school districts in subsection (2) of this section solely for the central provision of assessments as provided in RCW 28A.180.090 (1) and (2).

(4) $35,000 of the amounts appropriated in this section are provided solely to track current and former transitional bilingual program students. Beginning in the 2012-13 school year, student tracking shall be integrated into the CEDARS data system.

(5) The general fund--federal appropriation in this section is 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 2012) $106,295,000
General Fund--State Appropriation (FY 2013) $107,254,000
General Fund--Federal Appropriation $553,925,000
Education Legacy Trust Account--State Appropriation $47,980,000
TOTAL APPROPRIATION $815,454,000

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

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

(a) The appropriations include such funds as are necessary to

complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(b)(i) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school districts for learning assistance programs as provided in RCW 28A.150.260(10)(a). In calculating the allocations, the superintendent shall assume the following averages: (A) Additional instruction of 1.51560 hours per week per funded learning assistance program student; (B) fifteen learning assistance program students per teacher; (C) 36 instructional weeks per year; (D) 900 instructional hours per teacher; and (E) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(ii) From July 1, 2011, to August 31, 2011, the superintendent shall allocate funding to school districts for learning assistance programs as provided in section 515, chapter 564, Laws of 2009, as amended through section 1412 of this act.

(c) A school district's funded students for the learning assistance program shall be the sum of the district's full-time equivalent enrollment in grades K-12 for the prior school year multiplied by the district's percentage of October headcount enrollment in grades K-12 eligible for free or reduced price lunch in the prior school year.

(2) Allocations made pursuant to subsection (1) of this section shall be adjusted to reflect ineligible applications identified through the annual income verification process required by the national school lunch program, as recommended in the report of the state auditor on the learning assistance program dated February, 2010.

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

(5) The office of the superintendent of public instruction shall research and recommend options for an adjustment factor for middle school and high school free and reduced price lunch eligibility reporting rates pursuant to RCW 28A.150.260(12)(a), and submit a report

to the fiscal committees of the legislature by June 1, 2012. For the 2011-12 and 2012-13 school years, the adjustment factor is 1.0.

NEW SECTION. **Sec. 516. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

(1) Amounts distributed to districts by the superintendent through part V of this act are for allocations purposes only and do not entitle a particular district, district employee, or student to a specific service, beyond what has been expressly provided in statute. Part V of this act restates the requirements of various sections of Title 28A RCW. If any conflict exists, the provisions of Title 28A RCW control unless this act explicitly states that it is providing an enhancement. Any amounts provided in part V of this act in excess of the amounts required by Title 28A RCW provided in statute, are not within the program of basic education.

(2) To the maximum extent practicable, when adopting new or revised rules or policies relating to the administration of allocations in part V of this act that result in fiscal impact, the office of the superintendent of public instruction shall attempt to seek legislative approval through the budget request process.

(3) Appropriations made in this act to the office of the 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.

(End of part)

PART VI
HIGHER EDUCATION

NEW SECTION. **Sec. 601.** The appropriations in sections 605 through 611 of this act are subject to the following conditions and limitations:

(1) "Institutions" means the institutions of higher education receiving appropriations under sections 605 through 611 of this act.

(2) 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.

(3) The institutions of higher education receiving state and federal appropriations under sections 605 through 611 of this act shall allot anticipated state, federal, and tuition expenditures by budget program and fiscal year. The office of financial management shall notify the legislative ways and means committees of the proposed allotments at least ten days prior to their approval.

(4) To the extent permitted by the applicable personnel system rules, and to the extent collectively bargained with represented employees, institutions of higher education are encouraged to achieve the reductions in full-time-equivalent employment and payroll levels necessary to operate within this budget through strategies that will minimize impacts on employees, their families, their communities, and short- and longer-term accomplishment of institutional mission. Institutions are encouraged to utilize strategies such as reduced work-hours per day or week, voluntary leave without pay, and temporary furloughs that enable employees to maintain permanent employment status. Institutions are further encouraged to implement such strategies in ways that will enable employees to maintain full insurance benefits, full retirement service credit, and a living wage.

(5)(a) For institutions receiving appropriations in section 605 of this act the only allowable salary increases provided are those with normally occurring promotions and increases related to faculty and staff retention, to the extent permitted by sections 927 through 934 of this act. In fiscal year 2012 and fiscal year 2013, the state board

for community and technical colleges may use salary and benefit savings from faculty turnover to provide salary increments and associated benefits for faculty who qualify through professional development and training.

(b) For employees under the jurisdiction of chapter 41.56 RCW, 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) For each institution of higher education receiving appropriations under sections 606 through 611 of this act:

(i) The only allowable salary increases are those associated with normally occurring promotions and increases related to faculty and staff retention, to the extent permitted by sections 925 through 935 of this act; and

(ii) Institutions may provide 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, to the extent permitted by sections 925 through 935 of this act. Any salary increase granted under the authority of this subsection (6)(c)(ii) shall not be included in an institution's salary base for future state funding. It is the intent of the legislature that state general fund 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 (6)(c)(ii).

NEW SECTION. **Sec. 602. PUBLIC BACCALAUREATE INSTITUTIONS**

In order to operate within the state funds appropriated in this act, the governing boards of the state research universities, the state regional universities, and The Evergreen State College are authorized to adopt and adjust tuition and fees for the 2011-12 and 2012-13 academic years as provided in this section:

(1) The governing boards of the University of Washington, Washington State University, and Western Washington University may increase the tuition fees, as defined in RCW 28B.15.020, charged to

resident undergraduate students by no more than thirteen percent over the amounts charged to resident undergraduate students for the prior academic year.

(2) The governing boards of Central Washington University, Eastern Washington University, and The Evergreen State College may increase the tuition fees, as defined in RCW 28B.15.020, charged to resident undergraduate students by no more than 11.5 percent over the amounts charged to resident undergraduate students for the prior academic year.

(3) Each governing board is authorized to increase tuition charges to graduate and professional students, and to nonresident undergraduate students, by amounts judged reasonable and necessary by the governing board.

(4) Each governing board is authorized to increase summer quarter or semester tuition fees for resident and nonresident undergraduate, graduate, and professional students pursuant to RCW 28B.15.067.

(5) Each governing board is authorized to adopt or increase charges for fee-based, self-sustaining degree programs, credit courses, noncredit workshops and courses, and special contract courses by amounts judged reasonable and necessary by the governing board.

(6) Each governing board is authorized to adopt or increase services and activities fees for all categories of students as provided in RCW 28B.15.069.

(7) Each governing board is authorized to adopt or increase technology fees as provided in RCW 28B.15.069.

(8) Each governing board is authorized to adopt or increase special course and lab fees, and health and counseling fees, to the extent necessary to cover the reasonable and necessary exceptional cost of the course or service.

(9) Each governing board is authorized to adopt or increase administrative fees such as, but not limited to, those charged for application, matriculation, special testing, and transcripts by amounts judged reasonable and necessary by the governing board.

NEW SECTION. **Sec. 603.** (1) Within the funds appropriated in this act, each baccalaureate institution is expected to produce at least the following numbers of bachelors degrees per academic year:

	2010-11 Annual Average	2012-13 Annual Average
University of Washington	8,657	8,657
Washington State University	4,687	4,687
Central Washington University	2,324	2,324
Eastern Washington University	1,881	1,881
The Evergreen State College	1,157	1,157
Western Washington University	3,068	3,068

(2) Within the funds appropriated in section 605 of this act, the community and technical colleges are expected to enroll and educate at least the following numbers of full-time equivalent state-supported students per academic year:

	2010-11 Annual Average	2012-13 Annual average
State Board for Community and Technical Colleges		
Adult Students	139,262	139,262
Running Start Students	11,558	11,558

(3) In achieving or exceeding these enrollment targets, each institution shall seek to:

(a) Maintain and to the extent possible increase enrollment opportunities at branch campuses;

(b) Maintain and to the extent possible increase enrollment opportunities at university centers and other partnership programs that enable students to earn baccalaureate degrees on community college campuses; and

(c) Eliminate and consolidate programs of study for which there is

limited student or employer demand, or that are not areas of core academic strength for the institution, particularly when such programs duplicate offerings by other in-state institutions.

(4) For purposes of monitoring and reporting statewide enrollment, the University of Washington and Washington State University shall notify the office of financial management of the number of full-time student equivalent enrollments budgeted for each of their campuses.

NEW SECTION. **Sec. 604. STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

In order to operate within the state funds appropriated in this act, the state board for community and technical colleges and the trustees of the state's community and technical colleges are authorized to adopt and adjust tuition and fees for the 2011-12 and 2012-13 academic years as provided in this section:

(1) The state board may increase the tuition fees charged to resident undergraduate students by no more than eleven percent over the amounts charged to resident undergraduates during the prior academic year. The board may increase tuition fees under this subsection differentially based on student credit hour load, provided that the overall increase in average tuition revenue per student does not exceed eleven percent each year.

(2) The state board may increase the tuition fees charged to resident undergraduates enrolled in upper division applied baccalaureate programs by no more than eleven percent over the amounts charged during the prior academic year.

(3) The state board may increase the tuition fees charged to nonresident students by amounts judged reasonable and necessary by the board.

(4) The trustees of the technical colleges are authorized to either (a) increase operating fees by no more than the percentage increases authorized for community colleges by the state board; or (b) fully adopt the tuition fee charge schedule adopted by the state board for community colleges.

(5) For academic years 2011-2012 and 2012-2013, the trustees of the technical colleges are authorized to increase building fees by an amount judged reasonable in order to progress toward parity with the building fees charged students attending the community colleges.

(6) The state board is authorized to increase the maximum allowable services and activities fee as provided in RCW 28B.15.069. The trustees of the community and technical colleges are authorized to increase services and activities fees up to the maximum level authorized by the state board.

(7) The trustees of the community and technical colleges are authorized to adopt or increase charges for fee-based, self-sustaining programs such as summer session, international student contracts, and special contract courses by amounts judged reasonable and necessary by the trustees.

(8) The trustees of the community and technical colleges are authorized to adopt or increase special course and lab fees to the extent necessary to cover the reasonable and necessary exceptional cost of the course or service.

(9) The trustees of the community and technical colleges are authorized to adopt or increase administrative fees such as but not limited to those charged for application, matriculation, special testing, and transcripts by amounts judged reasonable and necessary by the trustees.

NEW SECTION. **Sec. 605. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

General Fund--State Appropriation (FY 2012) $569,811,000
General Fund--State Appropriation (FY 2013) $538,436,000
Community and Technical College Capital Project
Account--State Appropriation $8,037,000
Education Legacy Trust Account--State Appropriation $95,285,000
TOTAL APPROPRIATION $1,211,569,000

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

(1) $2,725,000 of the general fund--state appropriation for fiscal year 2010 and $2,725,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for administration and customized training contracts through the job skills program. The state board shall make an annual report by January 1st of each year to the governor and to the appropriate policy and fiscal committees of the legislature regarding implementation of this section, listing the scope of grant

awards, the distribution of funds by educational sector and region of the state, and the results of the partnerships supported by these funds.

(2) Of the amounts appropriated in this section, $10,000,000 is provided solely for the student achievement initiative.

(3) When implementing the appropriations in this section, the state board and the trustees of the individual community and technical colleges shall minimize impact on academic programs, maximize reductions in administration, and shall at least maintain, and endeavor to increase, enrollment opportunities and degree and certificate production in high employer-demand fields of study at their academic year 2008-09 levels.

(4) $2,250,000 of the general fund--state appropriation for fiscal year 2012 and $2,250,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the hospital employee education and training program under which labor, management, and college partnerships develop or expand and evaluate training programs for incumbent hospital workers that lead to careers in nursing and other high-demand health care occupations. The board shall report student progress, outcomes, and costs to the relevant fiscal and policy committees of the legislature by November 2012 and November 2013.

(5) Community and technical colleges are not required to send mass mailings of course catalogs to residents of their districts. Community and technical colleges shall consider lower cost alternatives, such as mailing postcards or brochures that direct individuals to online information and other ways of acquiring print catalogs.

(6) $1,112,000 of the general fund--state appropriation for fiscal year 2010 and $1,113,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the state board to enhance online distance learning and open courseware technology. Funds shall be used to support open courseware, open textbooks, open licenses to increase access, affordability and quality of courses in higher education. The state board for community and technical colleges shall select the most appropriate courses to support open courseware based solely upon criteria of maximizing the value of instruction and reducing costs of textbooks and other instructional materials for the greatest number of students in higher education, regardless of the type of institution those students attend.

(7) $1,000,000 of the opportunity express account--state appropriation is provided solely for the opportunity grant program as specified in RCW 28B.50.271.

(8) $1,750,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the state board for community and technical colleges to contract with the aerospace training and research center on Paine field in Everett, Washington to support industry-identified training in the aerospace sector.

(9) $6,684,000 of the general fund--state appropriation for fiscal year 2012 and $6,754,000 of the general fund--state appropriation for fiscal year 2013 shall be placed in reserve status. The office of financial management may release these amounts from reserve status and authorize the amounts to be expended only after the state board for community and technical colleges has demonstrated improvement in metrics which measure academic progress and completion rates, as determined by the governor. In making this determination, the governor shall choose one or more metrics from among the compete to complete common college completion metrics as published by the national governors association in June of 2010. If by June 30, 2012, the governor determines that the state board for community and technical colleges has made improvement in the chosen metrics, the governor shall authorize the office of financial management to release all or a part of the fiscal year 2012 amount from reserve status. If the office of financial management determines that the state board for community and technical colleges has not demonstrated improvement in the chosen metrics in fiscal year 2012, any portion of the amount remaining in reserve status shall be reappropriated for fiscal year 2013 but shall remain in reserve status. If by June 30, 2013, the governor determines that the state board for community and technical colleges has made improvement in the chosen metrics, the governor shall authorize the office of financial management to release all or a portion of the fiscal year 2013 amounts from reserve status, including amounts that were attributable to fiscal year 2012 and were reappropriated. Any amounts from the appropriations in this subsection that remain in reserve status on June 30, 2013, shall be transferred to the financial aid account for the state need grant.

(10) Bellevue college is authorized to offer bachelor degrees in information technology, health care services and management,

biotechnology, and preprofessional preparation for medical fields. These degrees shall be directed at high school graduates and transfer-oriented degree and professional and technical degree holders. In fiscal year 2012, Bellevue college will develop a two-year plan for offering these new degrees. The plan will assume funding for these new degrees shall come through redistribution of its current per full-time enrollment funding. The plan shall be delivered to the legislature by June 30, 2012.

NEW SECTION. **Sec. 606. FOR THE UNIVERSITY OF WASHINGTON**

General Fund--State Appropriation (FY 2012) $239,935,000
General Fund--State Appropriation (FY 2013) $195,543,000
University of Washington Building Account--State
Appropriation $239,000
Education Legacy Trust Account--State Appropriation $19,079,000
Accident Account--State Appropriation $6,735,000
Medical Aid Account--State Appropriation $6,521,000
Biotoxin Account--State Appropriation $450,000
TOTAL APPROPRIATION $468,502,000

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

(1) In implementing the appropriations in this section, the president and regents shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) $54,000 of the general fund--state appropriation for fiscal year 2010 and $54,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the University of Washington geriatric education center to provide a voluntary adult family home certification program. In addition to the minimum qualifications required under RCW 70.128.120, individuals participating in the voluntary adult family home certification program shall complete fifty-two hours of class requirements as established by the University of Washington geriatric education center. Individuals completing the requirements of RCW 70.128.120 and the voluntary adult family home certification program shall be issued a certified adult family home license by the department of social and health services. The

department of social and health services shall adopt rules implementing the provisions of this subsection.

(3) $50,000 of the general fund--state appropriation for fiscal year 2010 and $52,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the center for international trade in forest products in the college of forest resources.

(4) $3,178,000 of the general fund--state appropriation for fiscal year 2012 and $3,167,000 of the general fund--state appropriation for fiscal year 2013 shall be placed in reserve status. The office of financial management may release these amounts from reserve status and authorize the amounts to be expended only after the University of Washington has demonstrated improvement in metrics which measure academic progress and completion rates, as determined by the governor. In making this determination, the governor shall choose one or more metrics from among the compete to complete common college completion metrics as published by the national governors association in June of 2010. If by June 30, 2012, the governor determines that the university has made improvement in the chosen metrics, the governor shall authorize the office of financial management to release all or a part of the fiscal year 2012 amount from reserve status. If the office of financial management determines that the university has not demonstrated improvement in the chosen metrics in fiscal year 2012, any portion of the amount remaining in reserve status shall be reappropriated for fiscal year 2013 but shall remain in reserve status. If by June 30, 2013, the governor determines that the university has made improvement in the chosen metrics, the governor shall authorize the office of financial management to release all or a portion of the fiscal year 2013 amounts from reserve status, including amounts that were attributable to fiscal year 2012 and were reappropriated. Any amounts from the appropriations in this subsection that remain in reserve status on June 30, 2013, shall be transferred to the financial aid account for the state need grant.

(5) $87,000 of the general fund--state appropriation for fiscal year 2012 and $217,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for enrollments in science, technology, engineering, and math (STEM). These funds may not be used in the college of arts and sciences except to the extent students

utilizing the STEM enrollments have required courses in college of arts and sciences program.

NEW SECTION. **Sec. 607. FOR WASHINGTON STATE UNIVERSITY**

General Fund--State Appropriation (FY 2012) $154,064,000
General Fund--State Appropriation (FY 2013) $129,400,000
Washington State University Building Account--
State Appropriation $5,364,000
Education Legacy Trust Account--State Appropriation $33,563,000
TOTAL APPROPRIATION $322,391,000

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

(1) In implementing the appropriations in this section, the president and regents shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) $4,063,000 of the general fund--state appropriation for fiscal year 2012 and $4,094,000 of the general fund--state appropriation for fiscal year 2013 shall be placed in reserve status. The office of financial management may release these amounts from reserve status and authorize the amounts to be expended only after the Washington State University has demonstrated improvement in metrics which measure academic progress and completion rates, as determined by the governor. In making this determination, the governor shall choose one or more metrics from among the compete to complete common college completion metrics as published by the national governors association in June of 2010. If by June 30, 2012, the governor determines that the university has made improvement in the chosen metrics, the governor shall authorize the office of financial management to release all or a part of the fiscal year 2012 amount from reserve status. If the office of financial management determines that the university has not demonstrated improvement in the chosen metrics in fiscal year 2012, any portion of the amount remaining in reserve status shall be reappropriated for fiscal year 2013 but shall remain in reserve status. If by June 30, 2013, the governor determines that the university has made improvement in the chosen metrics, the governor shall authorize the office of financial management to release all or a portion of the fiscal year 2013 amounts from reserve status, including amounts that

were attributable to fiscal year 2012 and were reappropriated. Any amounts from the appropriations in this subsection that remain in reserve status on June 30, 2013, shall be transferred to the financial aid account for the state need grant.

(3) $78,000 of the general fund--state appropriation for fiscal year 2012 and $226,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for enrollments in science, technology, engineering, and math (STEM).

(4) As described in Engrossed Second Substitute House Bill No. 1792 (university center of north Puget Sound), $109,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for full-time enrollments in engineering at the university center of north Puget Sound.

NEW SECTION. **Sec. 608. FOR EASTERN WASHINGTON UNIVERSITY**

General Fund--State Appropriation (FY 2012) $30,623,000
General Fund--State Appropriation (FY 2013) $24,580,000
Education Legacy Trust Account--State Appropriation $16,087,000
TOTAL APPROPRIATION $71,290,000

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

(1) In implementing the appropriations in this section, the president and governing board shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) At least $200,000 of the general fund--state appropriation for fiscal year 2010 and at least $200,000 of the general fund--state appropriation for fiscal year 2011 shall be expended on the northwest autism center.

(3) $1,880,000 of the general fund--state appropriation for fiscal year 2012 and $1,896,000 of the general fund--state appropriation for fiscal year 2013 shall be placed in reserve status. The office of financial management may release these amounts from reserve status and authorize the amounts to be expended only after the Eastern Washington University has demonstrated improvement in metrics which measure academic progress and completion rates, as determined by the governor. In making this determination, the governor shall choose one or more metrics from among the compete to complete common college completion

metrics as published by the national governors association in June of 2010. If by June 30, 2012, the governor determines that the university has made improvement in the chosen metrics, the governor shall authorize the office of financial management to release all or a part of the fiscal year 2012 amount from reserve status. If the office of financial management determines that the university has not demonstrated improvement in the chosen metrics in fiscal year 2012, any portion of the amount remaining in reserve status shall be reappropriated for fiscal year 2013 but shall remain in reserve status. If by June 30, 2013, the governor determines that the university has made improvement in the chosen metrics, the governor shall authorize the office of financial management to release all or a portion of the fiscal year 2013 amounts from reserve status, including amounts that were attributable to fiscal year 2012 and were reappropriated. Any amounts from the appropriations in this subsection that remain in reserve status on June 30, 2013, shall be transferred to the financial aid account for the state need grant.

NEW SECTION. **Sec. 609. FOR CENTRAL WASHINGTON UNIVERSITY**

General Fund--State Appropriation (FY 2012) $28,773,000
General Fund--State Appropriation (FY 2013) $22,314,000
Education Legacy Trust Account--State Appropriation $19,076,000
TOTAL APPROPRIATION $70,163,000

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

(1) In implementing the appropriations in this section, the president and governing board shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) $1,821,000 of the general fund--state appropriation for fiscal year 2012 and $1,832,000 of the general fund--state appropriation for fiscal year 2013 shall be placed in reserve status. The office of financial management may release these amounts from reserve status and authorize the amounts to be expended only after the Central Washington University has demonstrated improvement in metrics which measure academic progress and completion rates, as determined by the governor. In making this determination, the governor shall choose one or more metrics from among the compete to complete common college completion

metrics as published by the national governors association in June of 2010. If by June 30, 2012, the governor determines that the university has made improvement in the chosen metrics, the governor shall authorize the office of financial management to release all or a part of the fiscal year 2012 amount from reserve status. If the office of financial management determines that the university has not demonstrated improvement in the chosen metrics in fiscal year 2012, any portion of the amount remaining in reserve status shall be reappropriated for fiscal year 2013 but shall remain in reserve status. If by June 30, 2013, the governor determines that the university has made improvement in the chosen metrics, the governor shall authorize the office of financial management to release all or a portion of the fiscal year 2013 amounts from reserve status, including amounts that were attributable to fiscal year 2012 and were reappropriated. Any amounts from the appropriations in this subsection that remain in reserve status on June 30, 2013, shall be transferred to the financial aid account for the state need grant.

(3) $49,000 of the general fund--state appropriation for fiscal year 2012 and $130,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for enrollments in science, technology, engineering, and math (STEM).

NEW SECTION. **Sec. 610. FOR THE EVERGREEN STATE COLLEGE**

General Fund--State Appropriation (FY 2012) $18,196,000
General Fund--State Appropriation (FY 2013) $14,073,000
Education Legacy Trust Account--State Appropriation $5,450,000
TOTAL APPROPRIATION $37,719,000

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

(1) In implementing the appropriations in this section, the president and governing board shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) To the extent federal or private funding is available for this purpose, the Washington state institute for public policy and the center for reinventing public education at the University of Washington shall examine the relationship between participation in pension systems and teacher quality and mobility patterns in the state. The department

of retirement systems shall facilitate researchers' access to necessary individual-level data necessary to effectively conduct the study. The researchers shall ensure that no individually identifiable information will be disclosed at any time. An interim report on project findings shall be completed by November 15, 2010, and a final report shall be submitted to the governor and to the relevant committees of the legislature by October 15, 2011.

(3) At least $200,000 of the general fund--state appropriation for fiscal year 2010 and at least $200,000 of the general fund--state appropriation for fiscal year 2011 shall be expended on the Washington center for undergraduate education.

(4) To the extent funds are available, the Washington state institute for public policy is encouraged to continue the longitudinal analysis of long-term mental health outcomes directed in chapter 334, Laws of 2001 (mental health performance audit), to build upon the evaluation of the impacts of chapter 214, Laws of 1999 (mentally ill offenders); and to assess program outcomes and cost effectiveness of the children's mental health pilot projects as required by chapter 372, Laws of 2006.

(5) $50,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the institute for public policy to provide research support to the council on quality education.

(6) Funding provided in this section is sufficient for The Evergreen State College to continue operations of the Longhouse Center and the Northwest Indian applied research institute.

(7)(a) $50,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for the Washington state institute for public policy (WSIPP) to convene a legislative workgroup that will review the increasing demand for long-term care services. The institute shall assist the legislative workgroup in developing a financial model and long-term financing options to address the state's projected growth in demand for publicly funded long-term care services. The workgroup shall be composed of the following members:

(i) The speaker of the house of representatives shall appoint two members from each of the two largest caucuses of the house of representatives.

(ii) The president of the senate shall appoint two members from each of the two largest caucuses of the senate.

(iii) The governor shall appoint one representative from the office of financial management and one representative from the governor's policy office.

(iv) The office of the insurance commissioner shall appoint one representative from its office.

(v) The director of the Washington caseload forecast council shall appoint one representative from its office.

(b) Additional staff support for the workgroup must be provided by the senate committee services and the house of representatives office of program research.

(c) Legislative members of the workgroup are entitled to be reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members, except those representing an employer or organization, are entitled to be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

The workgroup shall develop recommendations for sustainable long-term care financing options and provide its recommendations to the appropriate legislative committees by December 1, 2011.

(8) If, and to the extent that private funding is available for this purpose, the Washington state institute for public policy shall study and report on the child welfare and educational characteristics and outcomes for foster youth who are served by educational advocates. The department of social and health services and the office of the superintendent of public instruction shall facilitate researchers' access to data necessary to effectively complete the study. The institute shall submit an interim report with baseline characteristics of youth served by educational advocates by December 2011 and a final report by October 31, 2012, to the governor and to the appropriate committees of the legislature.

(9) $75,000 of the general fund--state appropriation for fiscal year 2012 and $75,000 of the general fund--state appropriation for fiscal year 2013 are provided to the Washington state institute for public policy (WSIPP) to conduct a review of state investments in the family caregiver and support program. Funding for this program is provided by assumed savings from diverting seniors from entering into long-term care medicaid placements by supporting informal caregivers. WSIPP shall work with the department of social and health services to establish and review outcome data for this investment. A preliminary

report on the outcomes of the investment into this program is due to the appropriate legislative committees by December 15, 2011, and a final report is due to the appropriate legislative committees by August 30, 2012.

(10) $25,000 of the general fund--state appropriation is provided solely for the Washington state institute for public policy to investigate the fiscal and other costs and benefits to state and local governments, and to the people of Washington, arising from the implementation of current state controlled substance policies in Washington, excluding alcohol, tobacco, and pharmaceuticals. A report is due to the legislature by December 1, 2012. The institute may receive funds from outside sources for the purpose of conducting this study. If these funds are not obtained, then the study shall not be undertaken.

(11) $748,000 of the general fund--state appropriation for fiscal year 2012 and $743,000 of the general fund--state appropriation for fiscal year 2013 shall be placed in reserve status. The office of financial management may release these amounts from reserve status and authorize the amounts to be expended only after The Evergreen State College has demonstrated improvement in metrics which measure academic progress and completion rates, as determined by the governor. In making this determination, the governor shall choose one or more metrics from among the compete to complete common college completion metrics as published by the national governors association in June of 2010. If by June 30, 2012, the governor determines that the university has made improvement in the chosen metrics, the governor shall authorize the office of financial management to release all or a part of the fiscal year 2012 amount from reserve status. If the office of financial management determines that the university has not demonstrated improvement in the chosen metrics in fiscal year 2012, any portion of the amount remaining in reserve status shall be reappropriated for fiscal year 2013 but shall remain in reserve status. If by June 30, 2013, the governor determines that the university has made improvement in the chosen metrics, the governor shall authorize the office of financial management to release all or a portion of the fiscal year 2013 amounts from reserve status, including amounts that were attributable to fiscal year 2012 and were reappropriated. Any

amounts from the appropriations in this subsection that remain in reserve status on June 30, 2013, shall be transferred to the financial aid account for the state need grant.

(12) $73,000 of the general fund--state appropriation for fiscal year 2012 and $177,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for enrollments in science, technology, engineering, and math (STEM).

NEW SECTION. **Sec. 611. FOR WESTERN WASHINGTON UNIVERSITY**

General Fund--State Appropriation (FY 2012) $41,312,000
General Fund--State Appropriation (FY 2013) $31,357,000
Education Legacy Trust Account--State Appropriation $13,266,000
TOTAL APPROPRIATION $85,935,000

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

(1) In implementing the appropriations in this section, the president and governing board shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) $579,000 of the general fund--state appropriation for fiscal year 2012 and $577,000 of the general fund--state appropriation for fiscal year 2013 shall be placed in reserve status. The office of financial management may release these amounts from reserve status and authorize the amounts to be expended only after the Western Washington University has demonstrated improvement in metrics which measure academic progress and completion rates, as determined by the governor. In making this determination, the governor shall choose one or more metrics from among the compete to complete common college completion metrics as published by the national governors association in June of 2010. If by June 30, 2012, the governor determines that the university has made improvement in the chosen metrics, the governor shall authorize the office of financial management to release all or a part of the fiscal year 2012 amount from reserve status. If the office of financial management determines that the university has not demonstrated improvement in the chosen metrics in fiscal year 2012, any portion of the amount remaining in reserve status shall be reappropriated for fiscal year 2013 but shall remain in reserve status. If by June 30, 2013, the governor determines that the university has

made improvement in the chosen metrics, the governor shall authorize the office of financial management to release all or a portion of the fiscal year 2013 amounts from reserve status, including amounts that were attributable to fiscal year 2012 and were reappropriated. Any amounts from the appropriations in this subsection that remain in reserve status on June 30, 2013, shall be transferred to the financial aid account for the state need grant.

(3) $57,000 of the general fund--state appropriation for fiscal year 2012 and $138,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for enrollments in science, technology, engineering, and math (STEM).

NEW SECTION. **Sec. 612. FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND ADMINISTRATION**

General Fund--State Appropriation (FY 2012) $2,507,000
General Fund--State Appropriation (FY 2013) $2,404,000
General Fund--Federal Appropriation $4,373,000
TOTAL APPROPRIATION $9,284,000

NEW SECTION. **Sec. 613. FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT PROGRAMS**

General Fund--State Appropriation (FY 2012) $189,930,000
General Fund--State Appropriation (FY 2013) $225,995,000
General Fund--Federal Appropriation $13,165,000
Opportunity Pathways Account--State Appropriation $147,000,000
TOTAL APPROPRIATION $576,090,000

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

(1) $36,129,000 of the general fund--state appropriation for fiscal year 2010, $78,177,000 of the general fund--state appropriation for fiscal year 2011, $19,671,000 of the education legacy trust account appropriation, and $73,500,000 of the opportunity pathways appropriation are provided solely for student financial aid payments under the state need grant. The state need grant shall be adjusted to offset the cost of the resident undergraduate tuition increases, limited to those tuition increases authorized under this act.

(2)(a) Within the funds appropriated in this section, eligibility for the state need grant shall include students with family incomes at

or below 70 percent of the state median family income (MFI), adjusted for family size. Awards for all students shall be adjusted by the estimated amount by which Pell grant increases exceed projected increases in the noninstructional costs of attendance. Awards for students with incomes between 51 and 70 percent of the state median shall be prorated at the following percentages of the award amount granted to those with incomes below 51 percent of the MFI: 70 percent for students with family incomes between 51 and 55 percent MFI; 65 percent for students with family incomes between 56 and 60 percent MFI; 60 percent for students with family incomes between 61 and 65 percent MFI; and 50 percent for students with family incomes between 66 and 70 percent MFI.

(b) Grant awards for students at private four-year colleges shall be set at the same level as the student would receive if attending one of the public regional universities.

(3) For fiscal year 2010 and fiscal year 2011, the board shall defer loan or conditional scholarship repayments to the future teachers conditional scholarship and loan repayment program for up to one year for each participant if the participant has shown evidence of efforts to find a teaching job but has been unable to secure a teaching job per the requirements of the program.

(4) $2,500,000 of the education legacy trust account--state appropriation is provided solely for the gaining early awareness and readiness for undergraduate programs project.

(5) $500,000 of the general fund--state appropriation for fiscal year 2012 and $500,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the leadership 1000 program.

NEW SECTION. **Sec. 614. FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD**

General Fund--State Appropriation (FY 2012) $1,416,000
General Fund--State Appropriation (FY 2013) $1,428,000
General Fund--Federal Appropriation $62,794,000
TOTAL APPROPRIATION $65,638,000

The appropriations in this section are subject to the following conditions and limitations: The board shall include in its comprehensive plan specific strategies to reach the goal of increasing

the percentage of Washington households living in the middle-income bracket or higher.

NEW SECTION. **Sec. 615. FOR THE SPOKANE INTERCOLLEGIATE RESEARCH AND TECHNOLOGY INSTITUTE**

General Fund--State Appropriation (FY 2012) $500,000
General Fund--State Appropriation (FY 2013) $500,000
TOTAL APPROPRIATION $1,000,000

NEW SECTION. **Sec. 616. FOR THE DEPARTMENT OF EARLY LEARNING**

General Fund--State Appropriation (FY 2012) $25,565,000
General Fund--State Appropriation (FY 2013) $25,616,000
General Fund--Federal Appropriation $249,247,000
Home Visiting Services--State Appropriation $1,868,000
Opportunity Pathways Account--State Appropriation $80,000,000
TOTAL APPROPRIATION $382,296,000

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

(1) $14,887,000 of the general fund--state appropriation for fiscal year 2012, $14,685,000 of the general fund--state appropriation for fiscal year 2013, and $80,000,000 of the opportunity pathways account appropriation are provided solely for early childhood education and assistance program services. Of these amounts, $10,284,000 is a portion of the biennial amount of state matching dollars required to receive federal child care and development fund grant dollars.

(2) $638,000 of the general fund--state appropriation for fiscal year 2012 and $638,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for child care resource and referral network services.

(3) $200,000 of the general fund--state appropriation for fiscal year 2012 and $200,000 of the general fund--state appropriation for fiscal year 2013 are provided solely to develop and provide culturally relevant supports for parents, family, and other caregivers.

(4) The department is the lead agency for and recipient of the federal child care and development fund grant. Amounts within this grant shall be used to fund child care licensing, quality initiatives, agency administration, and other costs associated with child care subsidies. The department shall transfer a portion of this grant to

the department of social and health services to partially fund the child care subsidies paid by the department of social and health services on behalf of the department of early learning.

(5) The department shall use child care development fund money to satisfy the federal audit requirement of the improper payments act (IPIA) of 2002. In accordance with the IPIA's rules, the money spent on the audits will not count against the five percent state limit on administrative expenditures.

(6) Within available amounts, the department in consultation with the office of financial management and the department of social and health services shall report quarterly enrollments and active caseload for the working connections child care program to the legislative fiscal committees. The report shall also identify the number of cases participating in both temporary assistance for needy families and working connections child care.

(7) The appropriations in this section reflect reductions in the appropriations for the department's administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or program.

(8) In addition to groups that were given prioritized access to the working connections child care program effective March 1, 2011, the department shall also give prioritized access into the program to families in which a parent of a child in care is a minor and full-time student in a high school that has a school-sponsored on-site child care center.

(9) $45,000 of the general fund--state appropriation for fiscal year 2012 and $76,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for implementation of Engrossed Second Substitute House Bill No. 1776 (child care center licensing). If this bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(10) $2,492,000 of the general fund--state appropriation for fiscal year 2012, $2,492,000 of the general fund--state appropriation for fiscal year 2013, and $4,304,000 of the general fund--federal appropriation are provided solely for the medicaid treatment child care (MTCC) program. The department shall contract for MTCC services to

provide therapeutic child care and other specialized treatment services to abused, neglected, at-risk, and/or drug-affected children. Priority for services shall be given to children referred from the department of social and health services children's administration. In addition to referrals made by children's administration, the department shall authorize services for children referred to the MTCC program, as long as the children meet the eligibility requirements as outlined in the Washington state plan for the MTCC program.

(11) $1,867,242 of the home visiting services account appropriation is provided solely for contracts for home visiting with the private-public partnership in accordance with requirements of the federal maternal, infant, early childhood home visiting grant program. This funding shall meet federal maintenance of effort requirements for this program. The state is anticipated to receive a minimum of $1,300,000 annually in federal grant funds under the maternal, infant, early childhood home visiting grant program. Any federal funding, including any competitive awards, received through this program shall also be deposited into the home visiting services account.

NEW SECTION. **Sec. 617. FOR THE STATE SCHOOL FOR THE BLIND**

General Fund--State Appropriation (FY 2012) $5,751,000
General Fund--State Appropriation (FY 2013) $5,754,000
General Fund--Private/Local Appropriation $2,012,000
TOTAL APPROPRIATION $13,517,000

The appropriations in this section are subject to the following conditions and limitations: $271,000 of the general fund--private/local appropriation is provided solely for the school for the blind to offer short course programs, allowing students the opportunity to leave their home schools for short periods and receive intensive training. The school for the blind shall provide this service to the extent that it is funded by contracts with school districts and educational services districts.

NEW SECTION. **Sec. 618. FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS**

General Fund--State Appropriation (FY 2012) $8,384,000
General Fund--State Appropriation (FY 2013) $8,425,000

General Fund--Private/Local Appropriation $526,000

TOTAL APPROPRIATION $17,335,000

(End of part)

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 2012) $924,047,000
General Fund--State Appropriation (FY 2013) $981,486,000
State Building Construction Account--State
Appropriation $1,589,000
Columbia River Basin Water Supply Development
Account--State Appropriation $73,000
Hood Canal Aquatic Rehabilitation Bond Account--State
Appropriation $6,000
State Taxable Building Construction Account--State
Appropriation $345,000
Gardner-Evans Higher Education Construction
Account--State Appropriation $1,000
Debt-Limit Reimbursable Bond Retire Account--State
Appropriation $2,300,000
TOTAL APPROPRIATION $1,909,847,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for expenditure into the debt-limit general fund bond retirement account. The entire general fund--state appropriation for fiscal year 2012 shall be expended into the debt-limit general fund bond retirement account by June 30, 2012.

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**

Accident Account--State Appropriation $4,110,000
Medical Aid Account--State Appropriation $4,110,000
TOTAL APPROPRIATION $8,220,000

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 2012) $27,516,000
General Fund--State Appropriation (FY 2013) $30,758,000
Nondebt-Limit Reimbursable Bond Retirement
Account--State Appropriation $140,417,000
TOTAL APPROPRIATION $198,691,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for expenditure into the nondebt-limit general fund bond retirement account. The entire general fund--state appropriation for fiscal year 2012 shall be expended into the nondebt-limit general fund bond retirement account by June 30, 2012.

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 2012) $1,357,000
General Fund--State Appropriation (FY 2013) $1,357,000
State Building Construction Account--State
Appropriation $1,273,000
Columbia River Basin Water Supply Development
Account--State Appropriation $12,000
Hood Canal Aquatic Rehabilitation Bond Account--State
Appropriation $1,000
State Taxable Building Construction Account--State
Appropriation $55,000
Gardner-Evans Higher Education Construction
Account--State Appropriation $1,000
TOTAL APPROPRIATION $4,056,000

NEW SECTION. **Sec. 705. FOR THE OFFICE OF FINANCIAL MANAGEMENT--FIRE CONTINGENCY**

General Fund--State Appropriation (FY 2012) $4,000,000
General Fund--State Appropriation (FY 2013) $4,000,000
TOTAL APPROPRIATION $8,000,000

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

expenditure into the disaster response account to be used for any Washington state fire service resource mobilization costs incurred by the Washington state patrol in response to an emergency or disaster authorized under RCW 43.43.960 and 43.43.964.

NEW SECTION. **Sec. 706. FOR THE OFFICE OF FINANCIAL MANAGEMENT--DISASTER RESPONSE ACCOUNT**

General Fund--State Appropriation (FY 2012) $14,575,000
General Fund--State Appropriation (FY 2013) $75,000
TOTAL APPROPRIATION $14,650,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the disaster response account. $5,000,000 of the appropriation is provided for emergency fire suppression by the department of natural resources.

NEW SECTION. **Sec. 707. FOR THE OFFICE OF FINANCIAL MANAGEMENT--EMERGENCY FUND**

General Fund--State Appropriation (FY 2012) $850,000
General Fund--State Appropriation (FY 2013) $850,000
TOTAL APPROPRIATION $1,700,000

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

NEW SECTION. **Sec. 708. FOR THE OFFICE OF FINANCIAL MANAGEMENT--EDUCATION TECHNOLOGY REVOLVING ACCOUNT**

General Fund--State Appropriation (FY 2012) $8,000,000
General Fund--State Appropriation (FY 2013) $8,000,000
TOTAL APPROPRIATION $16,000,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into 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. 709. SALARY ADJUSTMENT**

General Fund--State Appropriation (FY 2012) . . . . . ($87,779,000)
General Fund--State Appropriation (FY 2013) . . . . . ($88,112,000)
General Fund--Federal Appropriation . . . . . ($27,462,000)
General Fund--Private/Local Appropriation . . . . . .($2,657,000)
Various Other Accounts Appropriation . . . . . .($45,490,000)
TOTAL APPROPRIATION . . . . . .($251,500,000)

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) Appropriations in this section are provided solely for a 3.0 percent salary reduction effective July 1, 2011, through June 30, 2013, for all employees of the executive, legislative, and judicial branches, including those employees in the Washington management service, and including employees exempt from merit system rules, except for:

(a) Elected officials whose salaries are set by the commission on salaries for elected officials;

(b) Student employees at state institutions of higher education;

(c) Faculty employees at state institutions of higher education, provided, however, that appropriations to higher education institutions are reduced in an amount reflecting a 3.0 percent reduction in faculty salary expenditures;

(d) Certificated employees of the state school for the blind and the center for childhood deafness and hearing loss;

(e) Commissioned officers of the Washington state patrol represented by the state patrol troopers' association and the Washington state patrol lieutenants' association;

(f) Represented ferry workers of the Washington state department of transportation, provided, however, that other reductions are included in section 504 of the 2011-2013 transportation appropriations act;

(g) Employees whose salary is less than $2,500 per month; and

(h) Employees as specified in subsection (2) of this section.

(2) For employees subject to the 3.0 percent reduction in salary under subsection (1) of this section employees will receive temporary salary reduction leave of up to 5.2 hours per month. The director of personnel shall adopt rules governing the accrual and use of temporary salary reduction leave.

(3) Appropriations also reflect a 3.0 percent cost saving in expenditures as specified in section 925 of this act.

(4) The department of retirement systems shall include any forgone salary under subsections (1) and (3) of this section in the final average compensation of employees affected for purposes of calculating retirement benefits, as specified in House Bill No. . . ..

(5) The appropriation from dedicated funds and accounts shall be made in the amounts specified and from the dedicated funds and accounts specified in OFM document 2011-01, which is hereby incorporated by reference. The office of financial management shall allocate the moneys appropriated in this section in the amounts specified and to the state agencies specified in OFM document 2011-01 and adjust appropriation schedules accordingly. The office of financial management shall make any further allotment adjustments necessary to reflect agency mergers or consolidations assumed in this act.

NEW SECTION. **Sec. 710. INCENTIVE SAVINGS--FY 2012**

The sum of one hundred twenty-five million dollars or so much thereof as may be available on June 30, 2012, from the total amount of unspent fiscal year 2012 state general fund appropriations, exclusive of amounts expressly placed into unallotted status by this act, 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 one hundred million dollars, is appropriated to the education savings account.

NEW SECTION. **Sec. 711. INCENTIVE SAVINGS--FY 2013**

The sum of one hundred twenty-five million dollars or so much thereof as may be available on June 30, 2013, from the total amount of unspent fiscal year 2013 state general fund appropriations, exclusive of amounts expressly placed into unallotted status by this act, 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 one hundred million dollars, is appropriated to the education savings account.

NEW SECTION. **Sec. 712. FOR THE OFFICE OF FINANCIAL MANAGEMENT--O'BRIEN BUILDING IMPROVEMENT**

General Fund--State Appropriation (FY 2012) $2,846,000
General Fund--State Appropriation (FY 2013) $2,950,000
TOTAL APPROPRIATION $5,796,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the general administration services account for payment of principal, interest, and financing expenses associated with the certificate of participation for the O'Brien building improvement, project number 20081007.

NEW SECTION. **Sec. 713. FOR THE DEPARTMENT OF HEALTH--COUNTY PUBLIC HEALTH ASSISTANCE**

The appropriations in this section are subject to the following conditions and limitations: The director of the department of health shall distribute the appropriations to the following counties and health districts in the amounts designated to support public health services, including public health nursing:

Health District	FY 2012	FY 2013	FY 2011-13 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	$1,165,612	$1,165,612	$2,331,224
Chelan-Douglas Health District	$184,761	$184,761	$369,522
Clallam County Health and Human Services Department	$141,752	$141,752	$283,504

Clark County Health District	$1,057,792	$1,057,792	$2,115,594
Skamania County Health Department	$26,681	$26,681	$53,362
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	$118,596	$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	$9,531,747	$9,531,747	$19,063,494
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	$2,820,590	$2,820,590	$5,641,180
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	$2,258,207	$2,258,207	$4,516,414
Spokane County Health District	$2,101,429	$2,101,429	$4,202,858
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	$13,772	$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
TOTAL APPROPRIATIONS	$24,000,000	$24,000,000	$48,000,000

NEW SECTION. **Sec. 714. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--CONTRIBUTIONS TO RETIREMENT SYSTEMS**

The appropriations in this section are subject to the following conditions and limitations: The appropriations for the law enforcement officers' and firefighters' retirement system shall be made on a monthly basis beginning July 1, 2011, 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 firefighters' retirement system:

General Fund--State Appropriation (FY 2012) $51,200,000
General Fund--State Appropriation (FY 2013) $54,700,000
TOTAL APPROPRIATION $105,900,000

(2) There is appropriated for contributions to the judicial retirement system:

General Fund--State Appropriation (FY 2012) $11,600,000
General Fund--State Appropriation (FY 2013) $13,100,000
TOTAL APPROPRIATION $24,700,000

NEW SECTION. **Sec. 715. 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. 716. FOR THE OFFICE OF FINANCIAL MANAGEMENT--CONTRIBUTIONS TO RETIREMENT SYSTEMS**

General Fund--State Appropriation (FY 2012) . . . . . .($900,000)
General Fund--State Appropriation (FY 2013) . . . . . .($1,000,000)
Special Account Retirement System Contribution
Increase Revolving Account Appropriation . . . . . ($500,000)
TOTAL APPROPRIATION . . . . . ($2,400,000)

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

(1) The appropriations in this section are provided solely to adjust agency and institution appropriations and public school funding allocations to reflect reduced employer contribution rates in the public employees' retirement system and the school employees' retirement system as a result of the provisions of House Bill No. 1981 (higher education retirement plan and postretirement employment). If the bill is not enacted by June 30, 2011, the amounts provided in this section shall lapse.

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

NEW SECTION. **Sec. 717. FOR THE OFFICE OF FINANCIAL MANAGEMENT--CONTRIBUTIONS TO RETIREMENT SYSTEMS**

General Fund--State Appropriation (FY 2012) . . . . . .($148,832,000)
General Fund--State Appropriation (FY 2013) . . . . . .($212,838,000)
Special Account Retirement System Contribution
Increase Revolving Account Appropriation . . . . . ($43,932,000)
TOTAL APPROPRIATION . . . . . ($405,602,000)

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

(1) The appropriations in this section are provided solely to adjust agency and institution appropriations and public school funding allocations to reflect reduced employer contribution rates in the public employees' retirement system, teachers' retirement system, public safety employees' retirement system, and the school employees' retirement system as a result of the provisions of House Bill No. 2021 (limiting annual increase amounts) and increase the alternative minimum benefit to $1,500 per month. If the bill is not enacted by June 30, 2011, the amounts provided in this section shall lapse.

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

NEW SECTION. **Sec. 718. FOR THE OFFICE OF FINANCIAL MANAGEMENT--OFFICE OF THE ATTORNEY GENERAL**

General Fund--State Appropriation (FY 2012) $1,968,000
General Fund--State Appropriation (FY 2013) $1,968,000
General Fund--Federal Appropriation $966,000
General Fund--Private/Local Appropriation $74,000
Special Account Revolving Appropriation $3,190,000
TOTAL APPROPRIATION $8,166,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect increases in agency appropriations for expenditures related to work completed by the office of the attorney general. The office of financial management shall increase allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document SAG-2011, dated March 31, 2011, and adjust appropriation schedules accordingly. The office of financial management shall make any further allotment adjustments necessary to reflect agency mergers or consolidations assumed in this act.

NEW SECTION. **Sec. 719. FOR THE OFFICE OF FINANCIAL MANAGEMENT--STATE DATA CENTER RATE INCREASES**

General Fund--State Appropriation (FY 2012) $3,411,000
General Fund--State Appropriation (FY 2013) $2,036,000
General Fund--Federal Appropriation $3,000
General Fund--Private/Local Appropriation $103,000
Special Account Revolving Appropriation $4,263,000
TOTAL APPROPRIATION $9,816,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect increases in agency appropriations related to the state data center. The office of financial management shall increase allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document GLX-2011, dated March 25, 2011, and adjust appropriation schedules accordingly. The office of financial management shall make any further allotment adjustments necessary to reflect agency mergers or consolidations assumed in this act.

NEW SECTION. **Sec. 720. FOR THE OFFICE OF FINANCIAL MANAGEMENT--EXTRAORDINARY CRIMINAL JUSTICE COSTS**

General Fund--State Appropriation (FY 2012) $591,000

The appropriation in this section is subject to the following conditions and limitations: The director of financial management shall distribute $338,000 to Franklin county, $128,000 to Jefferson county, and $125,000 to Okanogan county for extraordinary criminal justice costs.

NEW SECTION. **Sec. 721. FOR THE OFFICE OF FINANCIAL MANAGEMENT--STATE EFFICIENCY AND RESTRUCTURING REPAYMENT**

General Fund--State Appropriation (FY 2012) $5,487,000
General Fund--State Appropriation (FY 2013) $5,487,000
TOTAL APPROPRIATION $10,974,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the cleanup settlement account on July 1, 2011, and July 1, 2012, as repayment of moneys that were transferred to the state efficiency and restructuring account.

NEW SECTION. **Sec. 722. FOR THE OFFICE OF FINANCIAL MANAGEMENT--VEHICLE LICENSE FRAUD ACCOUNT**

General Fund--State Appropriation (FY 2012) $100,000
General Fund--State Appropriation (FY 2013) $100,000
TOTAL APPROPRIATION $200,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the vehicle license fraud account.

NEW SECTION. **Sec. 723. FOR THE OFFICE OF FINANCIAL MANAGEMENT--HOME VISITING SERVICES ACCOUNT**

General Fund--State Appropriation (FY 2012) $934,000
General Fund--State Appropriation (FY 2013) $934,000
TOTAL APPROPRIATION $1,868,000

The appropriation in this section is subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into home visiting services account.

(End of part)

PART VIII
OTHER TRANSFERS AND APPROPRIATIONS

NEW SECTION. **Sec. 801. FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION**

General Fund Appropriation for fire insurance premium distributions $8,368,000

General Fund Appropriation for public utility district excise tax distributions $49,418,000

General Fund Appropriation for prosecuting attorney distributions $6,281,000

General Fund Appropriation for boating safety and education distributions $4,000,000

General Fund Appropriation for other tax distributions $58,000

General Fund Appropriation for habitat conservation program distributions $3,000,000

Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies $2,960,000

Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution $160,000

Timber Tax Distribution Account Appropriation for distribution to "timber" counties $40,421,000

County Criminal Justice Assistance Appropriation $69,801,000

Municipal Criminal Justice Assistance Appropriation $26,950,000

City-County Assistance Account Appropriation for local government financial assistance distribution $16,589,000

Liquor Excise Tax Account Appropriation for liquor excise tax distribution $52,152,000

Streamlined Sales and Use Tax Mitigation Account Appropriation for distribution to local taxing jurisdictions to mitigate the unintended revenue redistribution effect of the sourcing law changes . . . $49,635,000

Columbia River Water Delivery Account Appropriation for the Confederated Tribes of the Colville Reservation . . $7,441,000

Columbia River Water Delivery Account Appropriation for the Spokane Tribe of Indians $4,748,000

Liquor Revolving Account Appropriation for liquor
profits distribution $69,318,000
TOTAL APPROPRIATION $411,301,000

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. 802. FOR THE STATE TREASURER--FOR THE COUNTY CRIMINAL JUSTICE ASSISTANT ACCOUNT**

Impaired Driver Safety Account Appropriation $2,501,000

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 2011-13 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--MUNICIPAL CRIMINAL JUSTICE ASSISTANT ACCOUNT**

Impaired Driver Safety Account Appropriation $1,666,000

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 2011-2013 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 flood control
funds distribution $74,000
General Fund Appropriation for federal grazing fees
distribution $2,430,000
Forest Reserve Fund Appropriation for federal forest
reserve fund distribution $29,175,000
TOTAL APPROPRIATION $31,679,000

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**

State Treasurer's Service Account: For transfer to
the state general fund, $10,000,000 for fiscal
year 2012 and $15,000,000 for fiscal year 2013 . . . . .$25,000,000
Waste Reduction, Recycling, and Litter Control
Account: For transfer to the state general
fund, $2,000,000 for fiscal year 2012 and
$2,000,000 for fiscal year 2013 . . . . . $4,000,000
Aquatics Lands Enhancement Account: For transfer to
the state general fund, $3,500,000 for fiscal
year 2012 and $3,500,000 for fiscal year 2013 . . . . . .$7,000,000
Drinking Water Assistance Account: For transfer to
the drinking water assistance repayment account $38,000,000
Economic Development Strategic Reserve Account: For
transfer to the state general fund, $2,100,000
for fiscal year 2012 and $2,100,000 for fiscal

year 2013 . . . . . $4,200,000

General Fund: For transfer to the streamlined sales and use tax account, $24,846,000 for fiscal year 2012 and $27,789,000 for fiscal year 2013 . . . . . $49,635,000

Public Works Assistance Account: For transfer to the water pollution control revolving account, $7,750,000 for fiscal year 2012 and $7,750,000 for fiscal year 2013 . . . . . $15,500,000

The Charitable, Educational, Penal, and Reformatory Institutions Account: For transfer to the state general fund, $4,500,000 for fiscal year 2012 and $4,500,000 for fiscal year 2013 . . . . . $9,000,000

Thurston County Capital Facilities Account: For transfer to the state general fund, $4,000,000 for fiscal year 2012 and $4,000,000 for fiscal year 2013 . . . . . $8,000,000

Liquor Revolving Account: For transfer to the state general fund, $42,500,000 for fiscal year 2012 and $42,500,000 for fiscal year 2013 . . . . . $85,000,000

Public Works Assistance Account: For transfer to the drinking water assistance account, $8,000,000 for fiscal year 2012 and $8,000,000 for fiscal year 2013 . . . . . $16,000,000

Liquor Control Board Construction and Maintenance Account: For transfer to the state general fund, $500,000 for fiscal year 2012 and $500,000 for fiscal year 2013 . . . . . $1,000,000

Education Savings Account: For transfer to the state general fund, $22,500,000 for fiscal year 2012 and $22,500,000 for fiscal year 2013 . . . . . $45,000,000

Department of Retirement Systems Expense Account: For transfer to the state general fund, $250,000 for fiscal year 2012 and $250,000 for fiscal year 2013 . . . . . $500,000

Home Security Fund Account: For transfer to the transitional housing operating and rent account, $3,750,000 for fiscal year 2012 and $3,750,000 for fiscal year 2013 . . . . . $7,500,000

Washington State Heritage Center Account (Heritage, Arts, and Culture Account, RCW 43.07.129): For transfer to the state general fund, $6,500,000 for fiscal 2012 and $6,500,000 for fiscal year 2013 . . . . . $13,000,000

Education Construction Account: For transfer to the state general fund, $102,000,000 for fiscal year 2012 and $102,000,000 for fiscal year 2013 . . . . . $204,000,000

(End of part)

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 2009-2011 fiscal 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 office of the chief information officer.

(4) The agency shall produce a feasibility study for information technology projects at the direction of the office of the chief information officer and in accordance with published office of the chief information officer 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 office of the chief information officer and the published policies and guidelines of the office of the chief information officer, 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 office of the chief information officer, 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 office of the chief information officer and the office of financial management.

(8) Quality assurance status reports shall be submitted to the office of the chief information officer, the office of financial management, and legislative fiscal committees at intervals specified in the project's quality assurance plan.

NEW SECTION. **Sec. 903. INFORMATION TECHNOLOGY ENTERPRISE SERVICES**

Agencies may make use of the consolidated technology services agency when acquiring information technology services, products, and assets.

"Information technology services" means the acquisition, provisioning, or approval of hardware, software, and purchased or personal services provided by the consolidated technology services agency.

If an information technology enterprise service is provided by the consolidated technology services agency, or an agency has a specific requirement to acquire hardware, software, or purchased or personal

services directly, the agency shall consult with the consolidated technology services agency.

NEW SECTION. **Sec. 904. VIDEO TELECOMMUNICATIONS**

The consolidated technology services agency shall act as lead agency in coordinating video telecommunications services for state agencies. As lead agency, the consolidated technology services agency 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 consolidated technology services agency, for review and assessment by the consolidated technology services agency 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 consolidated technology services agency in a form prescribed by the consolidated technology services agency. 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. 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. An appropriation is not necessary to effect such repayment.

NEW SECTION. **Sec. 906. 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. 907. 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. 908. VOLUNTARY RETIREMENT, SEPARATION, AND DOWNSHIFTING INCENTIVES**

As a management tool to reduce costs and make more effective use of resources, while improving employee productivity and morale, agencies may implement a voluntary retirement, separation, and/or downshifting incentive program that is cost neutral or results in cost savings over a two-year period following the commencement of the program, provided that such a program is approved by the director of financial management. Agencies participating in this authorization may offer voluntary retirement, separation, and/or downshifting incentives and options according to procedures and guidelines established by the office of financial management, in consultation with the department of personnel and the department of retirement systems. The options may

include, but are not limited to, financial incentives for: Voluntary separation or retirement, voluntary leave without pay, voluntary work week or work hour reduction, voluntary downward movement, or temporary separation for development purposes. An employee does not have a contractual right to a financial incentive offered pursuant to this section. Offers shall be reviewed and monitored jointly by the department of personnel and the department of retirement systems. Agencies are required to submit a report by June 30, 2013, to the legislature and the office of financial management on the outcome of their approved incentive program. The report should include information on the details of the program including the cost of the incentive per participant, the total cost to the state, and the projected or actual net dollar savings over the 2011-2013 biennium.

NEW SECTION. **Sec. 909. COLLECTIVE BARGAINING AGREEMENTS NOT IMPAIRED**

Nothing in this act prohibits the expenditure of any funds by an agency or institution of the state for benefits guaranteed by any collective bargaining agreement in effect on the effective date of this section.

NEW SECTION. **Sec. 910. COLLECTIVE BARGAINING AGREEMENTS**

The following sections represent the results of the 2011-2013 collective bargaining process required under the provisions of chapters 41.80 and 41.56 RCW. Provisions of the collective bargaining agreements contained in 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. The collective bargaining agreements or the continuation of terms and conditions of the 2009-2011 agreements contained in Part IX of this act may also be funded by expenditures from nonappropriated accounts. If positions are funded with lidded grants or dedicated fund sources with insufficient revenue, additional funding from other sources is not provided.

NEW SECTION. **Sec. 911. COLLECTIVE BARGAINING AGREEMENTS--WFSE, TEAMSTERS, UFCW, WAFWP, IFPTE 17, COALITION OF UNIONS**

Agreements have been reached between the governor and the following unions: Washington federation of state employees, teamsters local union 117, united food and commercial workers, Washington association of fish and wildlife professionals, international federation of professional and technical engineers local 17, and the coalition of unions, under the provisions of chapter 41.80 RCW for the 2011-2013 biennium subject to union internal processes/procedures. Funding is reduced to reflect a 3.0 percent temporary salary reduction for all employees making $2,500 or more per month covered under the agreements for fiscal years 2012 and 2013 through June 29, 2013. Effective June 30, 2013, the salary schedules effective July 1, 2009, through June 30, 2011 will be reinstated. Temporary salary reduction leave is granted for the term of the 2011-2013 agreement.

NEW SECTION. **Sec. 912. COLLECTIVE BARGAINING AGREEMENT--SEIU HEALTHCARE 1199NW**

An agreement has been reached between the governor and the service employees international union healthcare 1199nw under the provisions of chapter 41.80 RCW for the 2011-2013 biennium subject to union internal processes/procedures. Funding is reduced to reflect 8 days of leave without pay per year for fiscal years 2012 and 2013.

NEW SECTION. **Sec. 913. COLLECTIVE BARGAINING AGREEMENT--TERMS AND CONDITIONS**

No agreements have been reached between the governor and the following unions: Washington public employees association, Washington public employees association higher education community college coalition, Washington federation of state employees higher education community college coalition, Washington federation of state employees Central Washington University, Washington federation of state employees Western Washington University, Washington federation of state employees The Evergreen State College, and public school employees Western Washington University, under the provisions of chapter 41.80 RCW for the 2011-2013 biennium. Appropriations in this act provide funding to continue the terms and conditions of the 2009-2011 general government and higher education agreements negotiated by the office of financial management's labor relations office under the provisions of chapter 41.80 RCW. For fiscal year 2012, appropriations have been reduced in

an amount equal to a 3 percent salary reduction for all represented employees making $2,500 or more per month. This reduction will be implemented according to the terms and conditions of the 2009-2011 agreements. For fiscal year 2013, funding is reduced to reflect a 3.0 percent temporary salary reduction for all employees making $2,500 or more per month through June 29, 2013. Effective June 30, 2013, the salary schedules effective July 1, 2009, through June 30, 2011, will be reinstated. Temporary salary reduction leave is granted for fiscal year 2013. These changes will be implemented according to law.

NEW SECTION. **Sec. 914. COLLECTIVE BARGAINING AGREEMENT--WSP TROOPERS ASSOCIATION**

No agreement has been reached between the governor and the Washington state patrol trooper's association under the provisions of chapter 41.56 RCW for the 2011-2013 biennium. Appropriations in this act for the Washington state patrol provide funding to continue the provisions of the 2009-2011 agreement.

NEW SECTION. **Sec. 915. COLLECTIVE BARGAINING AGREEMENT--WSP LIEUTENANTS ASSOCIATION**

No agreement has been reached between the governor and the Washington state patrol lieutenant's association under the provisions of chapter 41.56 RCW for the 2011-2013 biennium. Appropriations in this act for the Washington state patrol provide funding to continue the provisions of the 2009-2011 agreement.

NEW SECTION. **Sec. 916. COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES--SEIU LOCAL 925 CHILDCARE WORKERS**

An agreement has been reached between the governor and the service employees international union local 925 under the provisions of chapter 41.56 RCW for the 2011-2013 biennium, subject to union internal processes/procedures. Funding for an increase in the state's health care contribution for childcare workers is included in the budget.

NEW SECTION. **Sec. 917. COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES--WSRCC ADULT FAMILY HOMES**

Appropriations in this act reflect the collective bargaining agreement reached between the governor and the Washington state

residential care council under the provisions of chapter 41.56 RCW for the 2011-2013 biennium. For those covered under this agreement, economic provisions are the same as the terms and conditions in the 2009-2011 agreement.

NEW SECTION. **Sec. 918. AGREEMENTS AND TERMS AND CONDITIONS NOT NEGOTIATED BY THE OFFICE OF FINANCIAL MANAGEMENT'S LABOR RELATIONS OFFICE**

No agreements under chapter 41.80 RCW have been reached between the University of Washington, Washington State University, except as specifically set forth in this act, Eastern Washington University, and the Yakima Valley community college with their respective exclusive bargaining representatives under the provisions of chapter 41.80 RCW for the 2011-2013 biennium. Appropriations in this act provide funding to continue the terms and conditions of the 2009-2011 agreements. For fiscal years 2012, appropriations have been reduced in an amount equal to a 3 percent salary reduction for all represented employees making $2,500 or more per month. This reduction will be implemented according to the terms and conditions of the 2009-2011 agreements. For fiscal year 2013, funding is reduced in an amount equal to a 3 percent salary reduction for all represented employees making $2,500 or more per month. This reduction will be implemented according to law.

NEW SECTION. **Sec. 919. COLLECTIVE BARGAINING AGREEMENT--CENTRAL WASHINGTON UNIVERSITY PUBLIC SCHOOL EMPLOYEES OF WASHINGTON**

An agreement has been reached between Central Washington University and the public school employees of Washington under the provisions of chapter 41.80 RCW for the 2011-2013 biennium subject to union internal processes/procedures. Funding is reduced to reflect a 3.0 percent temporary salary reduction for all employees making $2,500 or more per month for fiscal years 2012 and 2013 through June 29, 2013. Effective June 30, 2013, the salary schedules effective July 1, 2009 through June 30, 2011 will be reinstated. Temporary salary reduction leave is granted for the term of the 2011-2013 agreement.

NEW SECTION. **Sec. 920. COLLECTIVE BARGAINING AGREEMENT--WASHINGTON STATE UNIVERSITY POLICE GUILD**

An agreement has been reached between Washington State University and the Washington State University police guild. The financial provisions of the 2009-2011 remain in place for the 2011-2013 biennium.

NEW SECTION. **Sec. 921. COMPENSATION--NONREPRESENTED EMPLOYEES--INSURANCE BENEFITS**

Appropriations for state agencies in this act are sufficient for nonrepresented state employee health benefits for state agencies, including institutions of higher education, and 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 $850 per eligible employee for fiscal year 2012. For fiscal year 2013 the monthly employer funding rate shall not exceed $850 per eligible 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. For calendar years 2012 and 2013, the subsidy shall be $150.00 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, $67.42 per month beginning September 1, 2011, and $68.94 beginning September 1, 2012;

(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, $67.42 each month beginning September 1, 2011, and $68.94 beginning September 1, 2012, 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. 922. COMPENSATION--REPRESENTED EMPLOYEES OUTSIDE SUPER COALITION--INSURANCE BENEFITS**

Appropriations for state agencies in this act are sufficient for represented employees outside the super coalition for health benefits, and 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 $850 per eligible employee for fiscal year 2012. For fiscal year 2013 the monthly employer funding rate shall not exceed $850 per eligible 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. For calendar years 2012 and 2013, the subsidy shall be $150.00 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, $67.42 per month beginning September 1, 2011, and $68.94 beginning September 1, 2012;

(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, $67.42 each month beginning September 1, 2011, and $68.94 beginning September 1, 2012, 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. 923. COMPENSATION--REPRESENTED EMPLOYEES--SUPER COALITION--INSURANCE BENEFITS**

The collective bargaining agreement negotiated with the super coalition under chapter 41.80 RCW includes employer premiums at 85 percent of the total weighted average of the projected health care premiums across all plans and tiers. Appropriations in this act for state agencies, including institutions of higher education are sufficient to fund state employees health benefits for employees represented by the super coalition on health benefits, and 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 $850 per eligible employee for fiscal year 2012. For fiscal year 2013 the monthly employer funding rate shall not exceed $850 per eligible 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. For calendar years 2012 and 2013, the subsidy shall be $150.00 per month.

NEW SECTION. **Sec. 924. COLLECTIVE BARGAINING AGREEMENTS**

For the collective bargaining agreements negotiated with the state for the 2011-2013 fiscal biennium under chapters 41.56, 41.80, or 74.39A RCW, the governor may request funds necessary to implement the terms and conditions of an agreement submitted to the office of financial management after October 1st if that agreement is determined to be feasible financially to the state by the director of financial management.

NEW SECTION. **Sec. 925.** A new section is added to chapter 41.06 RCW to read as follows:

(1) Except as provided in this section, from July 1, 2011, through June 29, 2013, base salaries are reduced three percent for all state employees of the executive, legislative, and judicial branches, including those employees in the Washington management service, and including exempt employees under this chapter.

(2) The following employees of the executive, legislative, and judicial branches are not subject to subsection (1) of this section:

(a) Elected officials whose salaries are set by the commission on salaries for elected officials;

(b) Employees at state institutions of higher education;

(c) Certificated employees of the state school for the blind and the center for childhood deafness and hearing loss;

(d) Commissioned officers of the Washington state patrol represented by the state patrol troopers association and the Washington state patrol lieutenants association;

(e) Represented ferry workers of the Washington state department of transportation; and

(f) Employees whose monthly full-time equivalent salary is less than two thousand five hundred dollars per month.

(3) Except as provided in subsection (4) of this section, if an employee subject to the three percent salary reduction under subsection (1) of this section is entitled to leave, the employee will receive temporary salary reduction leave of up to five and two-tenths hours per month. The director of the department of personnel shall adopt rules governing the accrual and use of temporary salary reduction leave for nonrepresented employees. For represented employees, the accrual and use of temporary salary reduction leave shall be in accordance with the provisions of the collective bargaining agreements.

(4) If provisions of collective bargaining agreements prevent the implementation of subsection (1) of this section, agencies of the executive, legislative, and judicial branches shall achieve a three percent salary reduction for each employee through employee leave without pay, mandatory and voluntary temporary layoffs, reduced work hours, or other actions consistent with collective bargaining agreements. This subsection does not prohibit an agency from granting temporary salary reduction leave for employees entitled to leave in accordance with subsection (3) of this section.

(5) Subsection (2) of this section does not prohibit employers of the executive, legislative, and judicial branches from implementing a salary reduction for employees exempted under subsection (2) of this section. Employers of the executive, legislative, and judicial branches are encouraged to implement a salary reduction for employees exempted under subsection (2) of this section, except for those employees whose monthly full-time equivalent salary is less than two thousand five hundred dollars per month.

(6) Subsection (2) of this section does not prohibit elected officials whose salaries are set by the commission on salaries for

elected officials to voluntarily agree to a reduction in salary and elected officials are encouraged to take such action.

(7) This section does not prohibit a state agency or institution during the 2011-2013 fiscal biennium from instituting reduced work hours, mandatory or voluntary leave without pay, reductions in salaries, or temporary layoffs as an integral part of the employer's expenditure reduction efforts, as certified by the employer. This subsection must be implemented consistent with collective bargaining agreements.

NEW SECTION. **Sec. 926.** A new section is added to chapter 43.03 RCW to read as follows:

(1) From July 1, 2011, through June 29, 2013, any state elected official of the executive branch may voluntarily reduce his or her salary from that established pursuant to Article XXVIII, section 1 of the state Constitution by three percent.

(2) The department of personnel and office of financial management shall develop a form to be used by any state elected official of the executive branch to execute the salary reduction under subsection (1) of this section through the state's central personnel payroll system.

(3) A voluntary reduction in salary shall be effective and continue through June 29, 2013, unless the state elected official of the executive branch directs in writing that the department of personnel discontinue the reduction.

NEW SECTION. **Sec. 927.** (1) Except as provided in this section, institutions of higher education are to achieve compensation reductions as specifically set forth in the 2011-2013 fiscal biennium omnibus appropriations act. For classified employees, the three percent salary reduction shall be implemented through a temporary salary reduction, voluntary or mandatory leave without pay, temporary layoffs or reduction in work hours, or a reduction in the percentage of an employee's position.

(2) Student employees and employees whose monthly full-time equivalent salary is less than two thousand five hundred dollars per month are not subject to subsection (1) of this section.

(3) This section does not prohibit institutions of higher education

from implementing temporary salary reduction leave for employees who are entitled to leave.

Sec. 928. RCW 41.06.070 and 2010 c 271 s 801, 2010 c 2 s 2, and 2010 c 1 s 1 are each reenacted and amended to read as follows:

(1) The provisions of this chapter do not apply to:

(a) The members of the legislature or to any employee of, or position in, the legislative branch of the state government including members, officers, and employees of the legislative council, joint legislative audit and review committee, statute law committee, and any interim committee of the legislature;

(b) The justices of the supreme court, judges of the court of appeals, judges of the superior courts or of the inferior courts, or to any employee of, or position in the judicial branch of state government;

(c) Officers, academic personnel, and employees of technical colleges;

(d) The officers of the Washington state patrol;

(e) Elective officers of the state;

(f) The chief executive officer of each agency;

(g) In the departments of employment security and social and health services, the director and the director's confidential secretary; in all other departments, the executive head of which is an individual appointed by the governor, the director, his or her confidential secretary, and his or her statutory assistant directors;

(h) In the case of a multimember board, commission, or committee, whether the members thereof are elected, appointed by the governor or other authority, serve ex officio, or are otherwise chosen:

(i) All members of such boards, commissions, or committees;

(ii) If the members of the board, commission, or committee serve on a part-time basis and there is a statutory executive officer: The secretary of the board, commission, or committee; the chief executive officer of the board, commission, or committee; and the confidential secretary of the chief executive officer of the board, commission, or committee;

(iii) If the members of the board, commission, or committee serve on a full-time basis: The chief executive officer or administrative

officer as designated by the board, commission, or committee; and a confidential secretary to the chair of the board, commission, or committee;

(iv) If all members of the board, commission, or committee serve ex officio: The chief executive officer; and the confidential secretary of such chief executive officer;

(i) The confidential secretaries and administrative assistants in the immediate offices of the elective officers of the state;

(j) Assistant attorneys general;

(k) Commissioned and enlisted personnel in the military service of the state;

(l) Inmate, student, part-time, or temporary employees, and part-time professional consultants, as defined by the Washington personnel resources board;

(m) The public printer or to any employees of or positions in the state printing plant;

(n) Officers and employees of the Washington state fruit commission;

(o) Officers and employees of the Washington apple commission;

(p) Officers and employees of the Washington state dairy products commission;

(q) Officers and employees of the Washington tree fruit research commission;

(r) Officers and employees of the Washington state beef commission;

(s) Officers and employees of the Washington grain commission;

(t) Officers and employees of any commission formed under chapter 15.66 RCW;

(u) Officers and employees of agricultural commissions formed under chapter 15.65 RCW;

(v) ((~~Officers and employees of the nonprofit corporation formed under chapter 67.40 RCW;~~

~~(w)~~)) Executive assistants for personnel administration and labor relations in all state agencies employing such executive assistants including but not limited to all departments, offices, commissions, committees, boards, or other bodies subject to the provisions of this chapter and this subsection shall prevail over any provision of law inconsistent herewith unless specific exception is made in such law;

((~~(x)~~)) (w) In each agency with fifty or more employees: Deputy agency heads, assistant directors or division directors, and not more than three principal policy assistants who report directly to the agency head or deputy agency heads;

((~~(y)~~)) (x) All employees of the marine employees' commission;

((~~(z)~~)) (y) Staff employed by the department of commerce to administer energy policy functions;

((~~(aa)~~)) (z) The manager of the energy facility site evaluation council;

((~~(bb)~~)) (aa) A maximum of ten staff employed by the department of commerce to administer innovation and policy functions, including the three principal policy assistants exempted under ((~~(x)~~)) (w) of this subsection;

((~~(cc)~~)) (bb) Staff employed by Washington State University to administer energy education, applied research, and technology transfer programs under RCW 43.21F.045 as provided in RCW 28B.30.900(5).

(2) The following classifications, positions, and employees of institutions of higher education and related boards are hereby exempted from coverage of this chapter:

(a) Members of the governing board of each institution of higher education and related boards, all presidents, vice presidents, and their confidential secretaries, administrative, and personal assistants; deans, directors, and chairs; academic personnel; and executive heads of major administrative or academic divisions employed by institutions of higher education; principal assistants to executive heads of major administrative or academic divisions; other managerial or professional employees in an institution or related board having substantial responsibility for directing or controlling program operations and accountable for allocation of resources and program results, or for the formulation of institutional policy, or for carrying out personnel administration or labor relations functions, legislative relations, public information, development, senior computer systems and network programming, or internal audits and investigations; and any employee of a community college district whose place of work is one which is physically located outside the state of Washington and who is employed pursuant to RCW 28B.50.092 and assigned to an educational program operating outside of the state of Washington;

(b) The governing board of each institution, and related boards, may also exempt from this chapter classifications involving research activities, counseling of students, extension or continuing education activities, graphic arts or publications activities requiring prescribed academic preparation or special training as determined by the board: PROVIDED, That no nonacademic employee engaged in office, clerical, maintenance, or food and trade services may be exempted by the board under this provision;

(c) Printing craft employees in the department of printing at the University of Washington.

(3) In addition to the exemptions specifically provided by this chapter, the director of personnel may provide for further exemptions pursuant to the following procedures. The governor or other appropriate elected official may submit requests for exemption to the director of personnel stating the reasons for requesting such exemptions. The director of personnel shall hold a public hearing, after proper notice, on requests submitted pursuant to this subsection. If the director determines that the position for which exemption is requested is one involving substantial responsibility for the formulation of basic agency or executive policy or one involving directing and controlling program operations of an agency or a major administrative division thereof, the director of personnel shall grant the request and such determination shall be final as to any decision made before July 1, 1993. The total number of additional exemptions permitted under this subsection shall not exceed one percent of the number of employees in the classified service not including employees of institutions of higher education and related boards for those agencies not directly under the authority of any elected public official other than the governor, and shall not exceed a total of twenty-five for all agencies under the authority of elected public officials other than the governor.

The salary and fringe benefits of all positions presently or hereafter exempted except for the chief executive officer of each agency, full-time members of boards and commissions, administrative assistants and confidential secretaries in the immediate office of an elected state official, and the personnel listed in subsections (1)(j) through ((~~(v)~~)) (u) and ((~~(y)~~)) (x) and (2) of this section, shall be determined by the director of personnel. Changes to the classification

plan affecting exempt salaries must meet the same provisions for classified salary increases resulting from adjustments to the classification plan as outlined in RCW 41.06.152.

From February 18, 2009, through June 30, ((~~2011~~)) 2013, a salary or wage increase shall not be granted to any position exempt from classification under this chapter, except that a salary or wage increase may be granted to employees pursuant to collective bargaining agreements negotiated under chapter 28B.52, 41.56, 47.64, or 41.76 RCW, ((~~or negotiated by the nonprofit corporation formed under chapter 67.40 RCW,~~)) and except that increases may be granted for positions for which the employer has demonstrated difficulty retaining qualified employees if the following conditions are met:

(a) The salary increase can be paid within existing resources; and

(b) The salary increase will not adversely impact the provision of client services.

Any agency granting a salary increase from February 15, 2010, through June 30, 2011, to a position exempt from classification under this chapter shall submit a report to the fiscal committees of the legislature no later than July 31, 2011, detailing the positions for which salary increases were granted, the size of the increases, and the reasons for giving the increases.

Any agency granting a salary increase from July 1, 2011, through June 30, 2013, to a position exempt from classification under this chapter shall submit a report to the fiscal committees of the legislature by July 31, 2012, and July 31, 2013, detailing the positions for which salary increases were granted during the preceding fiscal year, the size of the increases, and the reasons for giving the increases.

Any person holding a classified position subject to the provisions of this chapter shall, when and if such position is subsequently exempted from the application of this chapter, be afforded the following rights: If such person previously held permanent status in another classified position, such person shall have a right of reversion to the highest class of position previously held, or to a position of similar nature and salary.

Any classified employee having civil service status in a classified position who accepts an appointment in an exempt position shall have

the right of reversion to the highest class of position previously held, or to a position of similar nature and salary.

A person occupying an exempt position who is terminated from the position for gross misconduct or malfeasance does not have the right of reversion to a classified position as provided for in this section.

From February 15, 2010, until June 30, ((~~2011~~)) 2013, no monetary performance-based awards or incentives may be granted by the director or employers to employees covered by rules adopted under this section. This subsection does not prohibit the payment of awards provided for in chapter 41.60 RCW.

From July 1, 2011, until June 30, 2013, no performance-based awards or incentives may be granted by the director or employers to employees pursuant to a performance management confirmation granted by the department of personnel under WAC 357-37-055.

Sec. 929. RCW 41.06.133 and 2010 c 2 s 3 and 2010 c 1 s 2 are each reenacted and amended to read as follows:

(1) The director shall adopt rules, consistent with the purposes and provisions of this chapter and with the best standards of personnel administration, regarding the basis and procedures to be followed for:

(a) The reduction, dismissal, suspension, or demotion of an employee;

(b) Training and career development;

(c) Probationary periods of six to twelve months and rejections of probationary employees, depending on the job requirements of the class, except that entry level state park rangers shall serve a probationary period of twelve months;

(d) Transfers;

(e) Promotional preferences;

(f) Sick leaves and vacations;

(g) Hours of work;

(h) Layoffs when necessary and subsequent reemployment, except for the financial basis for layoffs;

(i) The number of names to be certified for vacancies;

(j) Adoption and revision of a state salary schedule to reflect the prevailing rates in Washington state private industries and other governmental units. The rates in the salary schedules or plans shall be increased if necessary to attain comparable worth under an

implementation plan under RCW 41.06.155 and, for institutions of higher education and related boards, shall be competitive for positions of a similar nature in the state or the locality in which an institution of higher education or related board is located. Such adoption and revision is subject to approval by the director of financial management in accordance with chapter 43.88 RCW;

(k) Increment increases within the series of steps for each pay grade based on length of service for all employees whose standards of performance are such as to permit them to retain job status in the classified service. From February 18, 2009, through June 30, ((~~2011~~)) 2013, a salary or wage increase shall not be granted to any exempt position under this chapter, except that a salary or wage increase may be granted to employees pursuant to collective bargaining agreements negotiated under chapter 28B.52, 41.56, 47.64, or 41.76 RCW, ((~~or negotiated by the nonprofit corporation formed under chapter 67.40 RCW,~~)) and except that increases may be granted for positions for which the employer has demonstrated difficulty retaining qualified employees if the following conditions are met:

(i) The salary increase can be paid within existing resources; and

(ii) The salary increase will not adversely impact the provision of client services;

Any agency granting a salary increase from February 15, 2010, through June 30, 2011, to a position exempt under this chapter shall submit a report to the fiscal committees of the legislature no later than July 31, 2011, detailing the positions for which salary increases were granted, the size of the increases, and the reasons for giving the increases;

Any agency granting a salary increase from July 1, 2011, through June 30, 2013, to a position exempt under this chapter shall submit a report to the fiscal committees of the legislature by July 31, 2012, and July 31, 2013, detailing the positions for which salary increases were granted during the preceding fiscal year, the size of the increases, and the reasons for giving the increases;

(l) Optional lump sum relocation compensation approved by the agency director, whenever it is reasonably necessary that a person make a domiciliary move in accepting a transfer or other employment with the state. An agency must provide lump sum compensation within existing resources. If the person receiving the relocation payment terminates

or causes termination with the state, for reasons other than layoff, disability separation, or other good cause as determined by an agency director, within one year of the date of the employment, the state is entitled to reimbursement of the lump sum compensation from the person;

(m) Providing for veteran's preference as required by existing statutes, with recognition of preference in regard to layoffs and subsequent reemployment for veterans and their surviving spouses by giving such eligible veterans and their surviving spouses additional credit in computing their seniority by adding to their unbroken state service, as defined by the director, the veteran's service in the military not to exceed five years. For the purposes of this section, "veteran" means any person who has one or more years of active military service in any branch of the armed forces of the United States or who has less than one year's service and is discharged with a disability incurred in the line of duty or is discharged at the convenience of the government and who, upon termination of such service, has received an honorable discharge, a discharge for physical reasons with an honorable record, or a release from active military service with evidence of service other than that for which an undesirable, bad conduct, or dishonorable discharge shall be given. However, the surviving spouse of a veteran is entitled to the benefits of this section regardless of the veteran's length of active military service. For the purposes of this section, "veteran" does not include any person who has voluntarily retired with twenty or more years of active military service and whose military retirement pay is in excess of five hundred dollars per month.

(2) Rules adopted under this section by the director shall provide for local administration and management by the institutions of higher education and related boards, subject to periodic audit and review by the director.

(3) Rules adopted by the director under this section may be superseded by the provisions of a collective bargaining agreement negotiated under RCW 41.80.001 and 41.80.010 through 41.80.130. The supersession of such rules shall only affect employees in the respective collective bargaining units.

(4)(a) The director shall require that each state agency report annually the following data:

(i) The number of classified, Washington management service, and

exempt employees in the agency and the change compared to the previous report;

(ii) The number of bonuses and performance-based incentives awarded to agency staff and the base wages of such employees; and

(iii) The cost of each bonus or incentive awarded.

(b) A report that compiles the data in (a) of this subsection for all agencies will be provided annually to the governor and the appropriate committees of the legislature and must be posted for the public on the department of personnel's agency web site.

(5) From February 15, 2010, until June 30, ((~~2011~~)) 2013, no monetary performance-based awards or incentives may be granted by the director or employers to employees covered by rules adopted under this section. This subsection does not prohibit the payment of awards provided for in chapter 41.60 RCW.

From July 1, 2011, until June 30, 2013, no performance-based awards or incentives may be granted by the director or employers to employees pursuant to a performance management confirmation granted by the department of personnel under WAC 357-37-055.

Sec. 930. RCW 41.06.500 and 2010 c 2 s 4 and 2010 c 1 s 3 are each reenacted and amended to read as follows:

(1) Except as provided in RCW 41.06.070, notwithstanding any other provisions of this chapter, the director is authorized to adopt, after consultation with state agencies and employee organizations, rules for managers as defined in RCW 41.06.022. These rules shall not apply to managers employed by institutions of higher education or related boards or whose positions are exempt. The rules shall govern recruitment, appointment, classification and allocation of positions, examination, training and career development, hours of work, probation, certification, compensation, transfer, affirmative action, promotion, layoff, reemployment, performance appraisals, discipline, and any and all other personnel practices for managers. These rules shall be separate from rules adopted for other employees, and to the extent that the rules adopted under this section apply only to managers shall take precedence over rules adopted for other employees, and are not subject to review by the board.

(2) In establishing rules for managers, the director shall adhere to the following goals:

(a) Development of a simplified classification system that facilitates movement of managers between agencies and promotes upward mobility;

(b) Creation of a compensation system that provides flexibility in setting and changing salaries, and shall require review and approval by the director in the case of any salary changes greater than five percent proposed for any group of employees;

(c) Establishment of a performance appraisal system that emphasizes individual accountability for program results and efficient management of resources; effective planning, organization, and communication skills; valuing and managing workplace diversity; development of leadership and interpersonal abilities; and employee development;

(d) Strengthening management training and career development programs that build critical management knowledge, skills, and abilities; focusing on managing and valuing workplace diversity; empowering employees by enabling them to share in workplace decision making and to be innovative, willing to take risks, and able to accept and deal with change; promoting a workplace where the overall focus is on the recipient of the government services and how these services can be improved; and enhancing mobility and career advancement opportunities;

(e) Permitting flexible recruitment and hiring procedures that enable agencies to compete effectively with other employers, both public and private, for managers with appropriate skills and training; allowing consideration of all qualified candidates for positions as managers; and achieving affirmative action goals and diversity in the workplace;

(f) Providing that managers may only be reduced, dismissed, suspended, or demoted for cause; and

(g) Facilitating decentralized and regional administration.

(3) From February 18, 2009, through June 30, ((~~2011~~)) 2013, a salary or wage increase shall not be granted to any position under this section, except that increases may be granted for positions for which the employer has demonstrated difficulty retaining qualified employees if the following conditions are met:

(a) The salary increase can be paid within existing resources; and

(b) The salary increase will not adversely impact the provision of client services.

Any agency granting a salary increase from February 15, 2010, through June 30, 2011, to a position under this section shall submit a report to the fiscal committees of the legislature no later than July 31, 2011, detailing the positions for which salary increases were granted, the size of the increases, and the reasons for giving the increases.

Any agency granting a salary increase from July 1, 2011, through June 30, 2013, to a position under this section shall submit a report to the fiscal committees of the legislature by July 31, 2012, and July 31, 2013, detailing the positions for which salary increases were granted during the preceding fiscal year, the size of the increases, and the reasons for giving the increases.

(4) From February 15, 2010, until June 30, ((~~2011~~)) 2013, no monetary performance-based awards or growth and development progression adjustments may be granted by the director or employers to the Washington management service employees covered by the rules adopted under this section. This subsection does not prohibit the payment of awards provided for in chapter 41.60 RCW.

From July 1, 2011, until June 30, 2013, no performance-based awards or incentives may be granted by the director or employers to employees pursuant to a performance management confirmation granted by the department of personnel under WAC 357-37-055.

Sec. 931. RCW 43.03.030 and 2010 c 1 s 4 are each amended to read as follows:

(1) Wherever the compensation of any appointive state officer or employee is fixed by statute, it may be hereafter increased or decreased in the manner provided by law for the fixing of compensation of other appointive state officers or employees; but this subsection shall not apply to the heads of state departments.

(2) Wherever the compensation of any state officer appointed by the governor, or of any employee in any office or department under the control of any such officer, is fixed by statute, such compensation may hereafter, from time to time, be changed by the governor, and he or she shall have power to fix such compensation at any amount not to exceed the amount fixed by statute.

(3) From February 18, 2009, through June 30, ((~~2011~~)) 2013, a salary or wage increase shall not be granted to any position under this

section, except that increases may be granted for positions for which the employer has demonstrated difficulty retaining qualified employees if the following conditions are met:

(a) The salary increase can be paid within existing resources; and

(b) The salary increase will not adversely impact the provision of client services.

Any agency granting a salary increase from February 15, 2010, through June 30, 2011, to a position exempt under this section shall submit a report to the fiscal committees of the legislature no later than July 31, 2011, detailing the positions for which salary increases were granted, the size of the increases, and the reasons for giving the increases.

Any agency granting a salary increase from July 1, 2011, through June 30, 2013, to a position exempt under this section shall submit a report to the fiscal committees of the legislature by July 31, 2012, and July 31, 2013, detailing the positions for which salary increases were granted during the preceding fiscal year, the size of the increases, and the reasons for giving the increases.

Sec. 932. RCW 43.03.040 and 2010 1st sp.s. c 7 s 5 and 2010 c 1 s 5 are each reenacted and amended to read as follows:

The directors of the several departments and members of the several boards and commissions, whose salaries are fixed by the governor and the chief executive officers of the agencies named in RCW 43.03.028(1) as now or hereafter amended shall each severally receive such salaries, payable in monthly installments, as shall be fixed by the governor or the appropriate salary fixing authority, in an amount not to exceed the recommendations of the department of personnel. From February 18, 2009, through June 30, ((~~2011~~)) 2013, a salary or wage increase shall not be granted to any position under this section, except that increases may be granted for positions for which the employer has demonstrated difficulty retaining qualified employees if the following conditions are met:

(1) The salary increase can be paid within existing resources; and

(2) The salary increase will not adversely impact the provision ((~~[of]~~)) of client services.

Any agency granting a salary increase from February 15, 2010, through June 30, 2011, to a position under this section shall submit a

report to the fiscal committees of the legislature no later than July 31, 2011, detailing the positions for which salary increases were granted, the size of the increases, and the reasons for giving the increases.

Any agency granting a salary increase from July 1, 2011, through June 30, 2013, to a position under this section shall submit a report to the fiscal committees of the legislature by July 31, 2012, and July 31, 2013, detailing the positions for which salary increases were granted during the preceding fiscal year, the size of the increases, and the reasons for giving the increases.

Sec. 933. RCW 41.60.150 and 2010 c 1 s 6 are each amended to read as follows:

Other than suggestion awards and incentive pay unit awards, agencies shall have the authority to recognize employees, either individually or as a class, for accomplishments including outstanding achievements, safety performance, longevity, outstanding public service, or service as employee suggestion evaluators and implementors. Recognition awards may not exceed two hundred dollars in value per award. Such awards may include, but not be limited to, cash or such items as pen and desk sets, plaques, pins, framed certificates, clocks, and calculators. Award costs shall be paid by the agency giving the award. From February 15, 2010, through June 30, ((~~2011~~)) 2013, recognition awards may not be given in the form of cash or cash equivalents such as gift certificates or gift cards.

NEW SECTION. **Sec. 934.** (1) Notwithstanding sections 928 through 932 of this act, during the 2011-2013 fiscal biennium institutions of higher education may grant a wage or salary increase for additional academic responsibilities during the summer quarter if the following conditions are met:

(a) The salary increase can be paid within existing resources; and

(b) The salary increase will not adversely impact the provision of client services.

(2) Any institution granting a wage or salary increase under this section from July 1, 2011, through June 30, 2013, shall submit a report to the fiscal committees of the legislature by July 31, 2012, and July

31, 2013, detailing the positions for which salary increases were granted, the size of the increases, and the reasons for giving the increases.

Sec. 935. RCW 41.06.560 and 2010 c 2 s 6 are each amended to read as follows:

From February 15, 2010, until June 30, ((~~2011~~)) 2013, no monetary performance-based awards or incentives may be granted by the director or employers to employees covered by rules adopted under this section. This section does not prohibit the payment of awards provided for in chapter 41.60 RCW.

From July 1, 2011, until June 30, 2013, no performance-based awards or incentives may be granted by the director or employers to employees pursuant to a performance management confirmation granted by the department of personnel under WAC 357-37-055.

Sec. 936. RCW 41.50.110 and 2009 c 564 s 924 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 ((~~2007-2009 and~~)) 2009-2011 <u>and 2011-2013</u> fiscal biennia, 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. 937. RCW 41.80.010 and 2010 c 104 s 1 are each amended to read as follows:

(1) For the purpose of negotiating collective bargaining agreements under this chapter, the employer shall be represented by the governor or governor's designee, except as provided for institutions of higher education in subsection (4) of this section.

(2)(a) If an exclusive bargaining representative represents more than one bargaining unit, the exclusive bargaining representative shall negotiate with each employer representative as designated in subsection (1) of this section one master collective bargaining agreement on behalf of all the employees in bargaining units that the exclusive bargaining representative represents. For those exclusive bargaining representatives who represent fewer than a total of five hundred employees each, negotiation shall be by a coalition of all those exclusive bargaining representatives. The coalition shall bargain for a master collective bargaining agreement covering all of the employees represented by the coalition. The governor's designee and the exclusive bargaining representative or representatives are authorized to enter into supplemental bargaining of agency-specific issues for inclusion in or as an addendum to the master collective bargaining agreement, subject to the parties' agreement regarding the issues and procedures for supplemental bargaining. This section does not prohibit cooperation and coordination of bargaining between two or more exclusive bargaining representatives.

(b) This subsection (2) does not apply to exclusive bargaining representatives who represent employees of institutions of higher education, except when the institution of higher education has elected to exercise its option under subsection (4) of this section to have its negotiations conducted by the governor or governor's designee under the procedures provided for general government agencies in subsections (1) through (3) of this section.

(c) If five hundred or more employees of an independent state elected official listed in RCW 43.01.010 are organized in a bargaining unit or bargaining units under RCW 41.80.070, the official shall be consulted by the governor or the governor's designee before any agreement is reached under (a) of this subsection concerning supplemental bargaining of agency specific issues affecting the employees in such bargaining unit.

(3) The governor shall submit a request for funds necessary to implement the compensation and fringe benefit provisions in the master collective bargaining agreement or for legislation necessary to implement the agreement. Requests for funds necessary to implement the provisions of bargaining agreements shall not be submitted to the legislature by the governor unless such requests:

(a) Have been submitted to the director of the office of financial management by October 1 prior to the legislative session at which the requests are to be considered; and

(b) Have been certified by the director of the office of financial management as being feasible financially for the state.

The legislature shall approve or reject the submission of the request for funds as a whole. The legislature shall not consider a request for funds to implement a collective bargaining agreement unless the request is transmitted to the legislature as part of the governor's budget document submitted under RCW 43.88.030 and 43.88.060. If the legislature rejects or fails to act on the submission, either party may reopen all or part of the agreement or the exclusive bargaining representative may seek to implement the procedures provided for in RCW 41.80.090.

(4)(a)(i) For the purpose of negotiating agreements for institutions of higher education, the employer shall be the respective governing board of each of the universities, colleges, or community colleges or a designee chosen by the board to negotiate on its behalf.

(ii) A governing board of a university or college may elect to have its negotiations conducted by the governor or governor's designee under the procedures provided for general government agencies in subsections (1) through (3) of this section, except that:

(A) The governor or the governor's designee and an exclusive bargaining representative shall negotiate one master collective bargaining agreement for all of the bargaining units of employees of a university or college that the representative represents; or

(B) If the parties mutually agree, the governor or the governor's designee and an exclusive bargaining representative shall negotiate one master collective bargaining agreement for all of the bargaining units of employees of more than one university or college that the representative represents.

(iii) A governing board of a community college may elect to have its negotiations conducted by the governor or governor's designee under the procedures provided for general government agencies in subsections (1) through (3) of this section.

(b) Prior to entering into negotiations under this chapter, the institutions of higher education or their designees shall consult with

the director of the office of financial management regarding financial and budgetary issues that are likely to arise in the impending negotiations.

(c)(i) If appropriations are necessary to implement the compensation and fringe benefit provisions of the bargaining agreements reached between institutions of higher education and exclusive bargaining representatives agreed to under the provisions of this chapter, the governor shall submit a request for such funds to the legislature according to the provisions of subsection (3) of this section, except as provided in (c)(ii) of this subsection.

(ii) In the case of a bargaining unit of employees of institutions of higher education in which the exclusive bargaining representative is certified during or after the conclusion of a legislative session, the legislature may act upon the compensation and fringe benefit provisions of the unit's initial collective bargaining agreement if those provisions are agreed upon and submitted to the office of financial management and legislative budget committees before final legislative action on the biennial or supplemental operating budget by the sitting legislature.

(5) There is hereby created a joint committee on employment relations, which consists of two members with leadership positions in the house of representatives, representing each of the two largest caucuses; the chair and ranking minority member of the house appropriations committee, or its successor, representing each of the two largest caucuses; two members with leadership positions in the senate, representing each of the two largest caucuses; and the chair and ranking minority member of the senate ways and means committee, or its successor, representing each of the two largest caucuses. The governor shall periodically consult with the committee regarding appropriations necessary to implement the compensation and fringe benefit provisions in the master collective bargaining agreements, and upon completion of negotiations, advise the committee on the elements of the agreements and on any legislation necessary to implement the agreements.

(6) If, after the compensation and fringe benefit provisions of an agreement are approved by the legislature, a significant revenue shortfall occurs resulting in reduced appropriations, as declared by

proclamation of the governor or by resolution of the legislature, both parties shall immediately enter into collective bargaining for a mutually agreed upon modification of the agreement.

(7) After the expiration date of a collective bargaining agreement negotiated under this chapter, all of the terms and conditions specified in the collective bargaining agreement remain in effect until the effective date of a subsequently negotiated agreement, not to exceed one year from the expiration date stated in the agreement. Thereafter, the employer may unilaterally implement according to law.

(8) For the 2011-2013 fiscal biennium, a collective bargaining agreement related to employee health care benefits negotiated between the employer and coalition pursuant to RCW 41.80.020(3) regarding the dollar amount expended on behalf of each employee shall be a separate agreement for which the governor may request funds necessary to implement the agreement. If such an agreement is negotiated and funded by the legislature, this agreement will supersede any terms and conditions of an expired 2009-2011 biennial master collective bargaining agreement under this chapter regarding health care benefits.

Sec. 938. RCW 41.80.020 and 2010 c 283 s 16 are each amended to read as follows:

(1) Except as otherwise provided in this chapter, the matters subject to bargaining include wages, hours, and other terms and conditions of employment, and the negotiation of any question arising under a collective bargaining agreement.

(2) The employer is not required to bargain over matters pertaining to:

(a) Health care benefits or other employee insurance benefits, except as required in subsection (3) of this section;

(b) Any retirement system or retirement benefit; or

(c) Rules of the director of personnel or the Washington personnel resources board adopted under section 203, chapter 354, Laws of 2002.

(3) Matters subject to bargaining include the number of names to be certified for vacancies, promotional preferences, and the dollar amount expended on behalf of each employee for health care benefits. However, except as provided otherwise in this subsection for institutions of higher education, negotiations regarding the number of names to be certified for vacancies, promotional preferences, and the dollar amount

expended on behalf of each employee for health care benefits shall be conducted between the employer and one coalition of all the exclusive bargaining representatives subject to this chapter. The exclusive bargaining representatives for employees that are subject to chapter 47.64 RCW shall bargain the dollar amount expended on behalf of each employee for health care benefits with the employer as part of the coalition under this subsection. Any such provision agreed to by the employer and the coalition shall be included in all master collective bargaining agreements negotiated by the parties. For institutions of higher education, promotional preferences and the number of names to be certified for vacancies shall be bargained under the provisions of RCW 41.80.010(4). For agreements covering the 2011-2013 fiscal biennium, any agreement between the employer and the coalition regarding the dollar amount expended on behalf of each employee for health care benefits is a separate agreement and shall not be included in the master collective bargaining agreements negotiated by the parties.

(4) The employer and the exclusive bargaining representative shall not agree to any proposal that would prevent the implementation of approved affirmative action plans or that would be inconsistent with the comparable worth agreement that provided the basis for the salary changes implemented beginning with the 1983-1985 biennium to achieve comparable worth.

(5) The employer and the exclusive bargaining representative shall not bargain over matters pertaining to management rights established in RCW 41.80.040.

(6) Except as otherwise provided in this chapter, if a conflict exists between an executive order, administrative rule, or agency policy relating to wages, hours, and terms and conditions of employment and a collective bargaining agreement negotiated under this chapter, the collective bargaining agreement shall prevail. A provision of a collective bargaining agreement that conflicts with the terms of a statute is invalid and unenforceable.

(7) This section does not prohibit bargaining that affects contracts authorized by RCW 41.06.142.

Sec. 939. RCW 43.07.129 and 2007 c 523 s 4 are each amended to read as follows:

The Washington state heritage center account is created in the

custody of the state treasurer. All moneys received under RCW 36.18.010(11) and 43.07.128 must be deposited in the account. Expenditures from the account may be made only for the following purposes:

(1) Payment of the certificate of participation issued for the Washington state heritage center;

(2) Capital maintenance of the Washington state heritage center; and

(3) Program operations that serve the public, relate to the collections and exhibits housed in the Washington state heritage center, or fulfill the missions of the state archives, state library, and capital museum.

Only the secretary of state or the secretary of state's designee may authorize expenditures from the account. An appropriation is not required for expenditures, but the account is subject to allotment procedures under chapter 43.88 RCW. <u>During the 2011-2013 fiscal biennium, the legislature may transfer from the Washington state heritage center account to the state general fund such amounts as reflect the excess fund balance of the account.</u>

Sec. 940. RCW 43.08.190 and 2010 c 222 s 3 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 43.79A.040(4)(c). 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 for all funds and accounts; except that the state treasurer may negotiate a different allocation rate with any state agency that has independent authority over funds not statutorily required to be held in the state treasury or in the custody of the

state treasurer. In no event shall the rate be less than the actual costs incurred by the state treasurer's office. If no rate is separately negotiated, the default rate for any funds held shall be the rate set for funds held pursuant to statute.

During the 2009-2011 fiscal biennium <u>and the 2011-2013 fiscal biennium</u>, 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. 941. RCW 43.09.412 and 1995 c 301 s 26 are each amended to read as follows:

The amounts to be disbursed from the auditing services revolving account shall be paid from funds appropriated to any and all state agencies for auditing services or administrative expenses. State agencies operating in whole or in part from nonappropriated funds shall pay into the auditing services revolving account such funds as will fully reimburse funds appropriated to the state auditor for auditing services provided. <u>During the 2011-2013 fiscal biennium, funds shall not be appropriated into the auditing services revolving account and state agencies operating in whole or in part from nonappropriated funds shall not pay into the auditing services revolving account. During the 2011-2013 fiscal biennium, the performance audit of state government account is the sole source of funding for auditing services provided to state agencies by the state auditor.</u>

The director of financial management shall allot all such funds to the state auditor for the operation of his or her office, pursuant to appropriation, in the same manner as appropriated funds are allocated to other state agencies headed by elected officers under chapter 43.88 RCW.

Sec. 942. RCW 43.09.475 and 2009 c 564 s 929 are each amended to read as follows:

The performance audits of government account is hereby created in the custody of the state treasurer. Revenue identified in RCW 82.08.020(5) and 82.12.0201 shall be deposited in the account. Money in the account shall be used to fund the performance audits and follow-up performance audits under RCW 43.09.470 and shall be expended by the state auditor in accordance with chapter 1, Laws of 2006. Only the

state auditor or the state auditor's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. During the 2009-2011 fiscal biennium, the legislature may transfer from the performance audits of government account to the state general fund such amounts as deemed to be appropriate or necessary. During 2011-2013 fiscal biennium, the performance audit of state government account shall be the sole source of funding for auditing services provided to state agencies by the state auditor. Required auditing services for state agencies to be performed in the 2011-2013 fiscal biennium includes work to complete the annual audit of the state's comprehensive annual financial report and the annual federal single audit consistent with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in government auditing standards, issued by the comptroller general of the United States, and audits of state agencies, audits of nonprofit organizations that receive funds or contract with state agencies in accordance with OMB circular A-133, audits of school programs, and audits under the whistleblower act, chapter 42.40 RCW, for state agencies. In addition, during the 2011-2013 fiscal biennium the account may be used to fund the office of financial management's contract for the compliance audit of the state auditor.

Sec. 943. RCW 43.19.501 and 2009 c 564 s 932 are each amended to read as follows:

The Thurston county capital facilities account is created in the state treasury. The account is subject to the appropriation and allotment procedures under chapter 43.88 RCW. Moneys in the account may be expended for capital projects in facilities owned and managed by the department of general administration in Thurston county. For the 2007-2009 biennium, moneys in the account may be used for predesign identified in section 1037, chapter 328, Laws of 2008.

During the 2009-2011 and 2011-2013 fiscal ((~~biennium~~)) biennia, the legislature may transfer from the Thurston county capital facilities account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 944. RCW 43.79.201 and 2009 c 564 s 935 are each amended to read as follows:

(1) The charitable, educational, penal and reformatory institutions account is hereby created, in the state treasury, into which account there shall be deposited all moneys arising from the sale, lease or transfer of the land granted by the United States government to the state for charitable, educational, penal and reformatory institutions by section 17 of the enabling act, or otherwise set apart for such institutions, except all moneys arising from the sale, lease, or transfer of that certain one hundred thousand acres of such land assigned for the support of the University of Washington by chapter 91, Laws of 1903 and section 9, chapter 122, Laws of 1893.

(2) If feasible, not less than one-half of all income to the charitable, educational, penal, and reformatory institutions account shall be appropriated for the purpose of providing housing, including repair and renovation of state institutions, for persons with mental illness or developmental disabilities, or youth who are blind, deaf, or otherwise disabled. If moneys are appropriated for community-based housing, the moneys shall be appropriated to the department of ((~~community, trade, and economic development~~)) commerce for the housing assistance program under chapter 43.185 RCW. During the 2009-2011 and 2011-2013 fiscal ((~~biennium~~)) biennia, the legislature may transfer from the charitable, educational, penal and reformatory institutions account to the state general fund such amounts as reflect excess fund balance of the ((~~fund [account]~~)) account.

Sec. 945. RCW 43.79.465 and 2010 1st sp.s. c 37 s 929 are each amended to read as follows:

The education savings account is created in the state treasury. The account shall consist of all moneys appropriated to the account by the legislature.

(1) Ten percent of legislative appropriations to the education savings account shall be distributed as follows: (a) Fifty percent to the distinguished professorship trust fund under RCW 28B.76.565; (b) seventeen percent to the graduate fellowship trust fund under RCW 28B.76.610; and (c) thirty-three percent to the college faculty awards trust fund under RCW 28B.50.837.

(2) The remaining moneys in the education savings account may be appropriated solely for (a) common school construction projects that are eligible for funding from the common school construction account, (b) technology improvements in the common schools, (c) during the 2001-03 fiscal biennium, technology improvements in public higher education institutions, (d) during the 2007-2009 fiscal biennium, the legislature may transfer from the education savings account to the state general fund such amounts as reflect the excess fund balance of the account attributable to unspent state general fund appropriations for fiscal year 2008, ((~~and~~)) (e) for fiscal year 2010, the legislature may transfer from the education savings account to the state general fund such amounts as reflect the fund balance of the account attributable to unspent general fund appropriations for fiscal year 2009; and (f) for fiscal years 2012 and 2013, the legislature may transfer from the education savings account to the state general fund such amounts as reflect the fund balance of the account attributable to unspent general fund appropriations for fiscal years 2011 and 2012.

Sec. 946. RCW 43.135.045 and 2010 1st sp.s. c 27 s 5 are each amended to read as follows:

The education construction fund is hereby created in the state treasury.

(1) Funds may be appropriated from the education construction fund exclusively for common school construction or higher education construction. During the 2007-2009 fiscal biennium, funds may also be used for higher education facilities preservation and maintenance. During the 2009-2011 ((~~fiscal biennium~~)) and 2011-2013 fiscal biennia, the legislature may transfer from the education construction fund to the state general fund such amounts as reflect the excess fund balance of the fund.

(2) 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.

(3) Funds for the student achievement program in RCW 28A.505.210 and 28A.505.220 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.

(4) After July 1, 2010, the state treasurer shall transfer one hundred two million dollars from the general fund to the education construction fund by June 30th of each year.

Sec. 947. RCW 43.155.050 and 2010 1st sp.s. c 37 s 932 and 2010 1st sp.s. c 36 s 6007 are each reenacted and amended to read as follows:

The public works assistance account is hereby established in the state treasury. Money may be placed in the public works assistance account from the proceeds of bonds when authorized by the legislature or from any other lawful source. Money in the public works assistance account shall be used to make loans and to give financial guarantees to local governments for public works projects. Moneys in the account may also be appropriated to provide for state match requirements under federal law for projects and activities conducted and financed by the board under the drinking water assistance account. Not more than fifteen percent of the biennial capital budget appropriation to the public works board from this account may be expended or obligated for preconstruction loans, emergency loans, or loans for capital facility planning under this chapter; of this amount, not more than ten percent of the biennial capital budget appropriation may be expended for emergency loans and not more than one percent of the biennial capital budget appropriation may be expended for capital facility planning loans. For the 2007-2009 biennium, moneys in the account may be used for grants for projects identified in section 138, chapter 488, Laws of 2005 and section 1033, chapter 520, Laws of 2007. During the 2009-2011 fiscal biennium, sums in the public works assistance account may be used for the water pollution control revolving fund program match in section 3013, chapter 36, Laws of 2010 1st sp. sess. During the 2009-2011 fiscal biennium, the legislature may transfer from the job development fund to the general fund such amounts as reflect the excess fund balance of the fund. <u>During the 2011-2013 fiscal biennium, the</u>

legislature may transfer from the public works assistance account to the water pollution control revolving account and the drinking water assistance account such amounts as reflect the excess fund balance of the account.

NEW SECTION. **Sec. 948.** Section 947 (RCW 43.155.050) of this act takes effect June 30, 2011.

Sec. 949. RCW 43.185C.060 and 2007 c 427 s 6 are each amended to read as follows:

The home security fund account is created in the state treasury, subject to appropriation. The state's portion of the surcharge established in RCW 36.22.179 and 36.22.1791 must be deposited in the account. Expenditures from the account may be used only for homeless housing programs as described in this chapter. During the 2011-2013 fiscal biennium, the legislature may transfer from the home security fund account to the transitional housing operating and rent account such amounts as reflect the excess fund balance of the account.

Sec. 950. RCW 43.330.250 and 2009 c 565 s 13 and 2009 c 564 s 943 are each reenacted and amended to read as follows:

(1) The economic development strategic reserve account is created in the state treasury to be used only for the purposes of this section.

(2) Only the governor, with the recommendation of the director of the department of commerce and the economic development commission, may authorize expenditures from the account.

(3) Expenditures from the account shall be made in an amount sufficient to fund a minimum of one staff position for the economic development commission and to cover any other operational costs of the commission.

(4) During the 2009-2011 ((~~fiscal biennium~~)) and 2011-2013 fiscal biennia, moneys in the account may also be transferred into the state general fund.

(5) Expenditures from the account may be made to prevent closure of a business or facility, to prevent relocation of a business or facility in the state to a location outside the state, or to recruit a business or facility to the state. Expenditures may be authorized for:

(a) Workforce development;

(b) Public infrastructure needed to support or sustain the operations of the business or facility; and

(c) Other lawfully provided assistance, including, but not limited to, technical assistance, environmental analysis, relocation assistance, and planning assistance. Funding may be provided for such assistance only when it is in the public interest and may only be provided under a contractual arrangement ensuring that the state will receive appropriate consideration, such as an assurance of job creation or retention.

(6) The funds shall not be expended from the account unless:

(a) The circumstances are such that time does not permit the director of the department of commerce or the business or facility to secure funding from other state sources;

(b) The business or facility produces or will produce significant long-term economic benefits to the state, a region of the state, or a particular community in the state;

(c) The business or facility does not require continuing state support;

(d) The expenditure will result in new jobs, job retention, or higher incomes for citizens of the state;

(e) The expenditure will not supplant private investment; and

(f) The expenditure is accompanied by private investment.

(7) No more than three million dollars per year may be expended from the account for the purpose of assisting an individual business or facility pursuant to the authority specified in this section.

(8) If the account balance in the strategic reserve account exceeds fifteen million dollars at any time, the amount in excess of fifteen million dollars shall be transferred to the education construction account.

Sec. 951. RCW 66.08.170 and 2009 c 564 s 947 are each amended to read as follows:

There shall be a fund, known as the "liquor revolving fund", which shall consist of all license fees, permit fees, penalties, forfeitures, and all other moneys, income, or revenue received by the board. The state treasurer shall be custodian of the fund. All moneys received by the board or any employee thereof, except for change funds and an amount of petty cash as fixed by the board within the authority of law

shall be deposited each day in a depository approved by the state treasurer and transferred to the state treasurer to be credited to the liquor revolving fund. During the 2009-2011 fiscal biennium, the legislature may transfer funds from the liquor revolving account [fund] to the state general fund and may direct an additional amount of liquor profits to be distributed to local governments. Neither the transfer of funds nor the additional distribution of liquor profits to local governments during the 2009-2011 fiscal biennium may reduce the excess fund distributions that otherwise would occur under RCW 66.08.190. <u>During the 2011-2013 fiscal biennium, the legislature may transfer funds from the liquor revolving fund to the state general fund. The transfer during the 2011-2013 fiscal biennium may not reduce the excess fund distributions that otherwise would occur under RCW 66.08.190.</u> Disbursements from the revolving fund shall be on authorization of the board or a duly authorized representative thereof. In order to maintain an effective expenditure and revenue control the liquor revolving fund shall be subject in all respects to chapter 43.88 RCW but no appropriation shall be required to permit expenditures and payment of obligations from such fund.

Sec. 952. RCW 66.08.190 and 2003 1st sp.s. c 25 s 927 are each amended to read as follows:

(1) Except for revenues generated by the 2003 surcharge of $0.42/liter on retail sales of spirits that ((~~shall~~)) <u>must</u> be distributed to the state general fund during the 2003-2005 biennium, when excess funds are distributed, all moneys subject to distribution ((~~shall~~)) <u>must</u> be disbursed as follows:

(a) Three-tenths of one percent to border areas under RCW 66.08.195; and

(b) <u>Except as provided in subsection (4) of this section, f</u>rom the amount remaining after distribution under (a) of this subsection, (i) fifty percent to the general fund of the state, (ii) ten percent to the counties of the state, and (iii) forty percent to the incorporated cities and towns of the state.

(2) During the months of June, September, December, and March of each year, prior to disbursing the distribution to incorporated cities and towns under subsection (1)(b) of this section, the treasurer ((~~shall~~)) <u>must</u> deduct from that distribution an amount that will fund

that quarter's allotments under RCW 43.88.110 from any legislative appropriation from the city and town research services account. The treasurer ((~~shall~~)) must deposit the amount deducted into the city and town research services account.

(3) The governor may notify and direct the state treasurer to withhold the revenues to which the counties and cities are entitled under this section if the counties or cities are found to be in noncompliance pursuant to RCW 36.70A.340.

(4) During the 2011-2013 fiscal biennium, from the amount remaining after distribution under subsection (1)(a) of this section, (a) 51.7 percent to the general fund of the state, (b) 9.7 percent to the counties of the state, and (c) 38.6 percent to the incorporated cities and towns of the state.

Sec. 953. RCW 66.08.235 and 2005 c 151 s 4 are each amended to read as follows:

The liquor control board construction and maintenance account is created within the state treasury. The liquor control board shall deposit into this account a portion of the board's markup, as authorized by chapter 66.16 RCW, placed upon liquor as determined by the board. Moneys in the account may be spent only after appropriation. The liquor control board shall use deposits to this account to fund construction and maintenance of a centralized distribution center for liquor products intended for sale through the board's liquor store and contract liquor store system. During the ((~~2001-2003~~)) 2011-2013 fiscal biennium, the legislature may transfer from the liquor control board construction and maintenance account to the state general fund such amounts as reflect the ((~~appropriations reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings~~)) excess fund balance of the account.

Sec. 954. RCW 67.70.260 and 2002 c 371 s 919 are each amended to read as follows:

There is hereby created the lottery administrative account in the state treasury. The account shall be managed, controlled, and maintained by the director. The legislature may appropriate from the account for the payment of costs incurred in the operation and

administration of the lottery. During the 2001-2003 fiscal biennium, the legislature may transfer from the lottery administrative account to the state general fund such amounts as reflect the appropriations reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings. <u>During the 2011-2013 fiscal biennium, the lottery administrative account may also be used to fund an independent forecast of the lottery revenues conducted by the economic and revenue forecast council.</u>

Sec. 955. RCW 70.48.440 and 1984 c 235 s 5 are each amended to read as follows:

The office of financial management shall establish a uniform equitable rate for reimbursing cities and counties for the care of sentenced felons who are the financial responsibility of the department of corrections and are detained or incarcerated in a city or county jail. <u>During the 2011-2013 fiscal biennium, this rate may not exceed eighty dollars per day.</u>

Until June 30, 1985, the rate for the care of sentenced felons who are the financial responsibility of the department of corrections shall be ten dollars per day. Cost of extraordinary emergency medical care incurred by prisoners who are the financial responsibility of the department of corrections under this chapter shall be reimbursed. The department of corrections shall be advised as far in advance as practicable by competent medical authority of the nature and course of treatment required to ensure the most efficient use of state resources to address the medical needs of the offender. In the event emergency medical care is needed, the department of corrections shall be advised as soon as practicable after the offender is treated.

Prior to June 30, 1985, the office of financial management shall meet with the corrections standards board to establish criteria to determine equitable rates regarding variable costs for sentenced felons who are the financial responsibility of the department of corrections after June 30, 1985. The office of financial management shall re-establish these rates each even-numbered year beginning in 1986.

Sec. 956. RCW 70.93.180 and 2010 1st sp.s. c 37 s 945 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 2009-2011 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. Additionally, during the 2009-2011 fiscal biennium, subsection (1)(a), (b), and (c) of this section is suspended.

(5) During the 2011-2013 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. Additionally, during the 2011-2013 fiscal biennium, subsection (1)(a), (b), and (c) of this section is suspended.

Sec. 957. RCW 70.105D.070 and 2010 1st sp.s. c 37 s 942 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;

(xii) Development and demonstration of alternative management technologies designed to carry out the hazardous waste management priorities of RCW 70.105.150;

(xiii) During the 2009-2011 and 2011-2013 fiscal ((~~biennium~~)) biennia, shoreline update technical assistance; ((~~and~~))

(xiv) During the 2009-2011 fiscal biennium, multijurisdictional permitting teams; and

(xv) During the 2011-2013 fiscal biennium, actions for reducing public exposure to toxic air pollution.

(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, defined for the purposes of this section as 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, that pose a threat to human health or the environment.

(b) 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, except that any applicant that is a Puget Sound partner, as defined in RCW 90.71.010, along with any project that is referenced in the action agenda developed by the Puget Sound partnership under RCW 90.71.310, shall, except as conditioned by RCW 70.105D.120, receive priority for any available funding for any grant or funding programs or sources that use a competitive bidding process. During the 2007-2009 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.

(c) To expedite cleanups throughout the state, the department shall partner with local communities and liable parties for cleanups. The department is authorized to use the following additional strategies in order to ensure a healthful environment for future generations:

(i) The director may alter grant-matching requirements to create incentives for local governments to expedite cleanups when one of the following conditions exists:

(A) Funding would prevent or mitigate unfair economic hardship imposed by the clean-up liability;

(B) Funding would create new substantial economic development, public recreational, or habitat restoration opportunities that would not otherwise occur; or

(C) Funding would create an opportunity for acquisition and

redevelopment of vacant, orphaned, or abandoned property under RCW 70.105D.040(5) that would not otherwise occur;

(ii) The use of outside contracts to conduct necessary studies;

(iii) The purchase of remedial action cost-cap insurance, when necessary to expedite multiparty clean-up efforts.

(d) To facilitate and expedite cleanups using funds from the local toxics control account, during the 2009-2011 fiscal biennium the director may establish grant-funded accounts to hold and disperse local toxics control account funds and funds from local governments to be used for remedial actions.

(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) Except during the 2009-2011 fiscal biennium, 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. 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, or, after January 1, 2010, for projects designed to address the restoration of Puget Sound, funded in a competitive grant process, that are in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310.

(7) The department shall adopt rules for grant or loan issuance and performance.

(8) During the 2007-2009 and 2009-2011 fiscal biennia, the legislature may transfer from the local toxics control account to

either the state general fund or the oil spill prevention account, or both such amounts as reflect excess fund balance in the account.

(9) During the 2009-2011 fiscal biennium, the local toxics control account may also be used for a standby rescue tug at Neah Bay, local government shoreline update grants, private and public sector diesel equipment retrofit, and oil spill prevention, preparedness, and response activities.

(10) During the 2009-2011 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 in the account.

(11) During the 2011-2013 fiscal biennium, the local toxics control account may also be used for local government shoreline update grants and actions for reducing public exposure to toxic air pollution.

Sec. 958. RCW 74.13.621 and 2009 c 564 s 954 are each amended to read as follows:

(1) Within existing resources, the department shall establish an oversight committee to monitor, guide, and report on kinship care recommendations and implementation activities. The committee shall:

(a) Draft a kinship care definition that is restricted to persons related by blood, marriage, or adoption, including marriages that have been dissolved, or for a minor defined as an "Indian child" under the federal Indian child welfare act (25 U.S.C. Sec. 1901 et seq.), the definition of "extended family member" under the federal Indian child welfare act, and a set of principles. If the committee concludes that one or more programs or services would be more efficiently and effectively delivered under a different definition of kin, it shall state what definition is needed, and identify the program or service in the report. It shall also provide evidence of how the program or service will be more efficiently and effectively delivered under the different definition. The department shall not adopt rules or policies changing the definition of kin without authorizing legislation;

(b) Monitor and provide consultation on the implementation of recommendations contained in the 2002 kinship care report, including but not limited to the recommendations relating to legal and respite care services and resources;

(c) Partner with nonprofit organizations and private sector businesses to guide a public education awareness campaign; and

(d) Assist with developing future recommendations on kinship care issues.

(2) The department shall consult with the oversight committee on its efforts to better collaborate and coordinate services to benefit kinship care families.

(3) The oversight committee must consist of a minimum of thirty percent kinship caregivers, who shall represent a diversity of kinship families. Statewide representation with geographic, ethnic, and gender diversity is required. Other members shall include representatives of the department, representatives of relevant state agencies, representatives of the private nonprofit and business sectors, child advocates, representatives of Washington state Indian tribes as defined under the federal Indian welfare act (25 U.S.C. Sec. 1901 et seq.), and representatives of the legal or judicial field. Birth parents, foster parents, and others who have an interest in these issues may also be included.

(4) To the extent funding is available, the department may reimburse nondepartmental members of the oversight committee for costs incurred in participating in the meetings of the oversight committee.

(5) The kinship care oversight committee shall update the legislature and governor annually on committee activities, with the first update due by January 1, 2006.

(6) This section expires June 30, ((~~2011~~)) 2013.

Sec. 959. RCW 79.64.040 and 2009 c 564 s 957 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 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 the 2009-2011 fiscal biennium <u>and fiscal year 2012</u>, the twenty-five percent limitation on deductions set in subsection (3) of this section may be increased up to thirty percent by the board.

Sec. 960. RCW 79.105.150 and 2010 1st sp.s. c 37 s 949 are each amended to read as follows:

(1) After deduction for management costs as provided in RCW 79.64.040 and payments to towns under RCW 79.115.150(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 the lands; and for volunteer cooperative fish and game projects. During the 2009-2011 fiscal biennium, the aquatic lands enhancement account may also be used for scientific research as part of the adaptive management process. During the 2009-<u>20</u>11 ((~~fiscal biennium~~)) <u>and 2011-2013 fiscal biennia</u>, the legislature may transfer from the aquatic lands enhancement account to the state general fund such amounts as reflect excess fund balance of the account.

(2) In providing grants for aquatic lands enhancement projects, the recreation and conservation funding board shall:

(a) Require grant recipients to incorporate the environmental benefits of the project into their grant applications;

(b) Utilize the statement of environmental benefits, consideration, except as provided in RCW 79.105.610, of whether the applicant is a Puget Sound partner, as defined in RCW 90.71.010, whether a project is referenced in the action agenda developed by the Puget Sound partnership under RCW 90.71.310, and except as otherwise provided in RCW 79.105.630, and effective one calendar year following the development and statewide availability of model evergreen community management plans and ordinances under RCW 35.105.050, whether the applicant is an entity that has been recognized, and what gradation of recognition was received, in the evergreen community recognition program created in RCW 35.105.030 in its prioritization and selection process; and

(c) Develop appropriate outcome-focused performance measures to be used both for management and performance assessment of the grants.

(3) 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.

(4) The department shall consult with affected interest groups in implementing this section.

(5) After January 1, 2010, any project designed to address the restoration of Puget Sound may be funded under this chapter only if the project is not in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310.

Sec. 961. RCW 82.08.160 and 1982 1st ex.s. c 35 s 4 are each amended to read as follows:

(1) On or before the twenty-fifth day of each month, all taxes collected under RCW 82.08.150 during the preceding month ((~~shall~~)) must be remitted to the state department of revenue, to be deposited with the state treasurer. Except as provided in subsection (2) of this section, upon receipt of such moneys the state treasurer ((~~shall~~)) must credit sixty-five percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) and one hundred percent of the sums collected and remitted under RCW 82.08.150 (3) and (4) to the state general fund and thirty-five percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) to a fund which is hereby created to be known as the "liquor excise tax fund."

(2) During the 2011-2013 fiscal biennium, 66.19 percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) must be deposited in the state general fund and the remainder collected and remitted under RCW 82.08.150 (1) and (2) must be deposited in the liquor excise tax fund.

Sec. 962. RCW 82.14.310 and 2005 c 282 s 49 are each amended to read as follows:

(1) The county criminal justice assistance account is created in the state treasury. Beginning in fiscal year 2000, the state treasurer ((~~shall~~)) must transfer into the county criminal justice assistance account from the general fund the sum of twenty-three million two hundred thousand dollars divided into four equal deposits occurring on July 1, October 1, January 1, and April 1. For each fiscal year thereafter, the state treasurer ((~~shall~~)) must increase the total transfer by the fiscal growth factor, as defined in RCW 43.135.025, forecast for that fiscal year by the office of financial management in November of the preceding year.

(2) The moneys deposited in the county criminal justice assistance account for distribution under this section, less any moneys appropriated for purposes under subsection (4) of this section, ((~~shall~~)) must be distributed at such times as distributions are made under RCW 82.44.150 and on the relative basis of each county's funding factor as determined under this subsection.

(a) A county's funding factor is the sum of:

(i) The population of the county, divided by one thousand, and multiplied by two-tenths;

(ii) The crime rate of the county, multiplied by three-tenths; and

(iii) The annual number of criminal cases filed in the county superior court, for each one thousand in population, multiplied by five-tenths.

(b) Under this section and RCW 82.14.320 and 82.14.330:

(i) The population of the county or city ((~~shall be~~)) is as last determined by the office of financial management;

(ii) The crime rate of the county or city is the annual occurrence of specified criminal offenses, as calculated in the most recent annual report on crime in Washington state as published by the Washington

association of sheriffs and police chiefs, for each one thousand in population;

(iii) The annual number of criminal cases filed in the county superior court ((~~shall~~)) must be determined by the most recent annual report of the courts of Washington, as published by the administrative office of the courts;

(iv) Distributions and eligibility for distributions in the ((~~1989-91~~)) 1989-1991 biennium ((~~shall~~)) must be based on 1988 figures for both the crime rate as described under (ii) of this subsection and the annual number of criminal cases that are filed as described under (iii) of this subsection. Future distributions ((~~shall~~)) must be based on the most recent figures for both the crime rate as described under (ii) of this subsection and the annual number of criminal cases that are filed as described under (iii) of this subsection.

(3) Moneys distributed under this section ((~~shall~~)) must be expended exclusively for criminal justice purposes and ((~~shall~~)) may not be used to replace or supplant existing funding. Criminal justice purposes are defined as activities that substantially assist the criminal justice system, which may include circumstances where ancillary benefit to the civil or juvenile justice system occurs, and which includes (a) domestic violence services such as those provided by domestic violence programs, community advocates, and legal advocates, as defined in RCW 70.123.020, and (b) during the 2001-2003 fiscal biennium, juvenile dispositional hearings relating to petitions for at-risk youth, truancy, and children in need of services. Existing funding for purposes of this subsection is defined as calendar year 1989 actual operating expenditures for criminal justice purposes. Calendar year 1989 actual operating expenditures for criminal justice purposes exclude the following: Expenditures for extraordinary events not likely to reoccur, changes in contract provisions for criminal justice services, beyond the control of the local jurisdiction receiving the services, and major nonrecurring capital expenditures.

(4) Not more than five percent of the funds deposited to the county criminal justice assistance account ((~~shall~~)) may be available for appropriations for enhancements to the state patrol crime laboratory system and the continuing costs related to these enhancements. Funds appropriated from this account for such enhancements ((~~shall~~)) may not supplant existing funds from the state general fund.

(5) During the 2011-2013 fiscal biennium, the amount that would otherwise be transferred into the county criminal justice assistance account from the general fund under subsection (1) of this section must be reduced by 3.4 percent.

Sec. 963. RCW 82.14.320 and 1998 c 321 s 12 are each amended to read as follows:

(1) The municipal criminal justice assistance account is created in the state treasury. Beginning in fiscal year 2000, the state treasurer ((~~shall~~)) must transfer into the municipal criminal justice assistance account for distribution under this section from the general fund the sum of four million six hundred thousand dollars divided into four equal deposits occurring on July 1, October 1, January 1, and April 1. For each fiscal year thereafter, the state treasurer ((~~shall~~)) must increase the total transfer by the fiscal growth factor, as defined in RCW 43.135.025, forecast for that fiscal year by the office of financial management in November of the preceding year.

(2) No city may receive a distribution under this section from the municipal criminal justice assistance account unless:

(a) The city has a crime rate in excess of one hundred twenty-five percent of the statewide average as calculated in the most recent annual report on crime in Washington state as published by the Washington association of sheriffs and police chiefs;

(b) The city has levied the tax authorized in RCW 82.14.030(2) at the maximum rate or the tax authorized in RCW 82.46.010(3) at the maximum rate; and

(c) The city has a per capita yield from the tax imposed under RCW 82.14.030(1) at the maximum rate of less than one hundred fifty percent of the statewide average per capita yield for all cities from such local sales and use tax.

(3) The moneys deposited in the municipal criminal justice assistance account for distribution under this section, less any moneys appropriated for purposes under subsection (7) of this section, ((~~shall~~)) must be distributed at such times as distributions are made under RCW 82.44.150. The distributions ((~~shall~~)) must be made as follows:

(a) Unless reduced by this subsection, thirty percent of the moneys ((~~shall~~)) must be distributed ratably based on population as last

determined by the office of financial management to those cities eligible under subsection (2) of this section that have a crime rate determined under subsection (2)(a) of this section which is greater than one hundred seventy-five percent of the statewide average crime rate. No city may receive more than fifty percent of any moneys distributed under this subsection (a) but, if a city distribution is reduced as a result of exceeding the fifty percent limitation, the amount not distributed ((~~shall~~)) must be distributed under (b) of this subsection.

(b) The remainder of the moneys, including any moneys not distributed in subsection (2)(a) of this section, ((~~shall~~)) must be distributed to all cities eligible under subsection (2) of this section ratably based on population as last determined by the office of financial management.

(4) No city may receive more than thirty percent of all moneys distributed under subsection (3) of this section.

(5) Notwithstanding other provisions of this section, 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~~)) must be made to the county in which the city is located.

(6) Moneys distributed under this section ((~~shall~~)) must be expended exclusively for criminal justice purposes and ((~~shall~~)) may not be used to replace or supplant existing funding. Criminal justice purposes are defined as activities that substantially assist the criminal justice system, which may include circumstances where ancillary benefit to the civil justice system occurs, and which includes domestic violence services such as those provided by domestic violence programs, community advocates, and legal advocates, as defined in RCW 70.123.020, and publications and public educational efforts designed to provide information and assistance to parents in dealing with runaway or at-risk youth. Existing funding for purposes of this subsection is defined as calendar year 1989 actual operating expenditures for criminal justice purposes. Calendar year 1989 actual operating expenditures for criminal justice purposes exclude the following: Expenditures for extraordinary events not likely to

reoccur, changes in contract provisions for criminal justice services, beyond the control of the local jurisdiction receiving the services, and major nonrecurring capital expenditures.

(7) Not more than five percent of the funds deposited to the municipal criminal justice assistance account ((~~shall~~)) may be available for appropriations for enhancements to the state patrol crime laboratory system and the continuing costs related to these enhancements. Funds appropriated from this account for such enhancements ((~~shall~~)) may not supplant existing funds from the state general fund.

(8) During the 2011-2013 fiscal biennium, the amount that would otherwise be transferred into the municipal criminal justice assistance account from the general fund under subsection (1) of this section must be reduced by 3.4 percent.

Sec. 964. RCW 82.14.330 and 2003 c 90 s 1 are each amended to read as follows:

(1)(a) Beginning in fiscal year 2000, the state treasurer ((~~shall~~)) must transfer into the municipal criminal justice assistance account for distribution under this section from the general fund the sum of four million six hundred thousand dollars divided into four equal deposits occurring on July 1, October 1, January 1, and April 1. For each fiscal year thereafter, the state treasurer ((~~shall~~)) must increase the total transfer by the fiscal growth factor, as defined in RCW 43.135.025, forecast for that fiscal year by the office of financial management in November of the preceding year. The moneys deposited in the municipal criminal justice assistance account for distribution under this section, less any moneys appropriated for purposes under subsection (4) of this section, ((~~shall~~)) must be distributed to the cities of the state as follows:

((~~(a)~~)) (i) Twenty percent appropriated for distribution ((~~shall~~)) must be distributed to cities with a three-year average violent crime rate for each one thousand in population in excess of one hundred fifty percent of the statewide three-year average violent crime rate for each one thousand in population. The three-year average violent crime rate ((~~shall~~)) must be calculated using the violent crime rates for each of the preceding three years from the annual reports on crime in Washington state as published by the Washington association of sheriffs

and police chiefs. Moneys ((~~shall~~)) must be distributed under this subsection (1)(a) ratably based on population as last determined by the office of financial management, but no city may receive more than one dollar per capita. Moneys remaining undistributed under this subsection at the end of each calendar year ((~~shall~~)) must be distributed to the criminal justice training commission to reimburse participating city law enforcement agencies with ten or fewer full-time commissioned patrol officers the cost of temporary replacement of each officer who is enrolled in basic law enforcement training, as provided in RCW 43.101.200.

((~~(b)~~)) (ii) Sixteen percent ((~~shall~~)) must be distributed to cities ratably based on population as last determined by the office of financial management, but no city may receive less than one thousand dollars.

(b) The moneys deposited in the municipal criminal justice assistance account for distribution under this subsection ((~~shall~~)) (1) must be distributed at such times as distributions are made under RCW 82.44.150.

(c) Moneys distributed under this subsection ((~~shall~~)) (1) must be expended exclusively for criminal justice purposes and ((~~shall~~)) may not be used to replace or supplant existing funding. Criminal justice purposes are defined as activities that substantially assist the criminal justice system, which may include circumstances where ancillary benefit to the civil justice system occurs, and which includes domestic violence services such as those provided by domestic violence programs, community advocates, and legal advocates, as defined in RCW 70.123.020. Existing funding for purposes of this subsection is defined as calendar year 1989 actual operating expenditures for criminal justice purposes. Calendar year 1989 actual operating expenditures for criminal justice purposes exclude the following: Expenditures for extraordinary events not likely to reoccur, changes in contract provisions for criminal justice services, beyond the control of the local jurisdiction receiving the services, and major nonrecurring capital expenditures.

(2)(a) In addition to the distributions under subsection (1) of this section:

((~~(a)~~)) (i) Ten percent ((~~shall~~)) must be distributed on a per capita basis to cities that contract with another governmental agency

for the majority of the city's law enforcement services. Cities that subsequently qualify for this distribution ((~~shall~~)) must notify the department of ((~~community, trade, and economic development~~)) commerce by November 30th for the upcoming calendar year. The department of ((~~community, trade, and economic development shall~~)) commerce must provide a list of eligible cities to the state treasurer by December 31st. The state treasurer ((~~shall~~)) must modify the distribution of these funds in the following year. Cities have the responsibility to notify the department of ((~~community, trade, and economic development~~)) commerce of any changes regarding these contractual relationships. Adjustments in the distribution formula to add or delete cities may be made only for the upcoming calendar year; no adjustments may be made retroactively.

((~~(b)~~)) (ii) The remaining fifty-four percent ((~~shall~~)) must be distributed to cities and towns by the state treasurer on a per capita basis. These funds ((~~shall~~)) must be used for: ((~~(i)~~)) (A) Innovative law enforcement strategies; ((~~(ii)~~)) (B) programs to help at-risk children or child abuse victim response programs; and ((~~(iii)~~)) (C) programs designed to reduce the level of domestic violence or to provide counseling for domestic violence victims.

(b) The moneys deposited in the municipal criminal justice assistance account for distribution under this subsection (2), less any moneys appropriated for purposes under subsection (4) of this section, ((~~shall~~)) must be distributed at the times as distributions are made under RCW 82.44.150. Moneys remaining undistributed under this subsection at the end of each calendar year ((~~shall~~)) must be distributed to the criminal justice training commission to reimburse participating city law enforcement agencies with ten or fewer full-time commissioned patrol officers the cost of temporary replacement of each officer who is enrolled in basic law enforcement training, as provided in RCW 43.101.200.

(c) If a city is found by the state auditor to have expended funds received under this subsection (2) in a manner that does not comply with the criteria under which the moneys were received, the city ((~~shall be~~)) is ineligible to receive future distributions under this subsection (2) until the use of the moneys are justified to the satisfaction of the director or are repaid to the state general fund.

(3) Notwithstanding other provisions of this section, 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~~)) must be made to the county in which the city is located.

(4) Not more than five percent of the funds deposited to the municipal criminal justice assistance account ((~~shall~~)) may be available for appropriations for enhancements to the state patrol crime laboratory system and the continuing costs related to these enhancements. Funds appropriated from this account for such enhancements ((~~shall~~)) may not supplant existing funds from the state general fund.

(5) During the 2011-2013 fiscal biennium, the amount that would otherwise be transferred into the municipal criminal justice assistance account from the general fund under subsection (1) of this section must be reduced by 3.4 percent.

Sec. 965. RCW 82.14.390 and 2008 c 48 s 1 are each amended to read as follows:

(1) Except as provided in subsection (7) of this section, the governing body of a public facilities district (a) created before July 31, 2002, under chapter 35.57 or 36.100 RCW that commences construction of a new regional center, or improvement or rehabilitation of an existing new regional center, before January 1, 2004; (b) created before July 1, 2006, under chapter 35.57 RCW in a county or counties in which there are no other public facilities districts on June 7, 2006, and in which the total population in the public facilities district is greater than ninety thousand that commences construction of a new regional center before February 1, 2007; (c) created under the authority of RCW 35.57.010(1)(d); or (d) created before September 1, 2007, under chapter 35.57 or 36.100 RCW, in a county or counties in which there are no other public facilities districts on July 22, 2007, and in which the total population in the public facilities district is greater than seventy thousand, that commences construction of a new regional center before January 1, 2009, or before January 1, 2011, in the case of a new regional center in a county designated by the president as a disaster area in December 2007, may impose a sales and

use tax in accordance with the terms of this chapter. The tax is in addition to other taxes authorized by law and ((~~shall~~)) must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the public facilities district. The rate of tax ((~~shall~~)) may not exceed 0.033 percent of the selling price in the case of a sales tax or value of the article used in the case of a use tax.

(2)(a) The governing body of a public facilities district imposing a sales and use tax under the authority of this section may increase the rate of tax up to 0.037 percent if, within three fiscal years of July 1, 2008, the department determines that, as a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020, a public facilities district's sales and use tax collections for fiscal years after July 1, 2008, have been reduced by a net loss of at least 0.50 percent from the fiscal year before July 1, 2008. The fiscal year in which this section becomes effective is the first fiscal year after July 1, 2008.

(b) The department ((~~shall~~)) must determine sales and use tax collection net losses under this section as provided in RCW 82.14.500 (2) and (3). The department ((~~shall~~)) must provide written notice of its determinations to public facilities districts. Determinations by the department of a public facilities district's sales and use tax collection net losses as a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020 are final and not appealable.

(c) A public facilities district may increase its rate of tax after it has received written notice from the department as provided in (b) of this subsection. The increase in the rate of tax must be made in 0.001 percent increments and must be the least amount necessary to mitigate the net loss in sales and use tax collections as a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020. The increase in the rate of tax is subject to RCW 82.14.055.

(3) The tax imposed under subsection (1) of this section ((~~shall~~)) must be deducted from the amount of tax otherwise required to be collected or paid over to the department of revenue under chapter 82.08 or 82.12 RCW. The department of revenue ((~~shall~~)) must perform the collection of such taxes on behalf of the county at no cost to the public facilities district. During the 2011-2013 fiscal biennium,

distributions by the state to a public facilities district based on the additional rate authorized in subsection (2) of this section must be reduced by 3.4 percent.

(4) No tax may be collected under this section before August 1, 2000. The tax imposed in this section ((~~shall~~)) expires when the bonds issued for the construction of the regional center and related parking facilities are retired, but not more than twenty-five years after the tax is first collected.

(5) Moneys collected under this section ((~~shall~~)) may only be used for the purposes set forth in RCW 35.57.020 and must be matched with an amount from other public or private sources equal to thirty-three percent of the amount collected under this section((~~, provided that~~)); however, amounts generated from nonvoter approved taxes authorized under chapter 35.57 RCW or nonvoter approved taxes authorized under chapter 36.100 RCW ((~~shall~~)) do not constitute a public or private source. For the purpose of this section, public or private sources includes, but is not limited to cash or in-kind contributions used in all phases of the development or improvement of the regional center, land that is donated and used for the siting of the regional center, cash or in-kind contributions from public or private foundations, or amounts attributed to private sector partners as part of a public and private partnership agreement negotiated by the public facilities district.

(6) The combined total tax levied under this section ((~~shall~~)) may not be greater than 0.037 percent. If both a public facilities district created under chapter 35.57 RCW and a public facilities district created under chapter 36.100 RCW impose a tax under this section, the tax imposed by a public facilities district created under chapter 35.57 RCW ((~~shall~~)) must be credited against the tax imposed by a public facilities district created under chapter 36.100 RCW.

(7) A public facilities district created under chapter 36.100 RCW is not eligible to impose the tax under this section if the legislative authority of the county where the public facilities district is located has imposed a sales and use tax under RCW 82.14.0485 or 82.14.0494.

Sec. 966. RCW 82.14.500 and 2007 c 6 s 903 are each amended to read as follows:

(1)(a) In order to mitigate local sales tax revenue net losses as

a result of the sourcing provisions of the streamlined sales and use tax agreement under this title, the state treasurer ((~~shall~~)), on July 1, 2011, and each July 1st thereafter, must transfer into the streamlined sales and use tax mitigation account from the general fund ((~~the sum of thirty-one million six hundred thousand dollars on July 1, 2008. On July 1, 2009, and each July 1st thereafter, the state treasurer shall transfer into the streamlined sales and use tax mitigation account from the general fund~~)) the sum required to mitigate actual net losses as determined under this section.

(b) During the 2011-2013 fiscal biennium, the amount that would otherwise be transferred under (a) of this subsection must be reduced by 3.4 percent.

(2) Beginning July 1, 2008, and continuing until the department determines annual losses under subsection (3) of this section, the department ((~~shall~~)) must determine the amount of local sales tax net loss each local taxing jurisdiction experiences as a result of the sourcing provisions of the streamlined sales and use tax agreement under this title each calendar quarter. The department ((~~shall~~)) must determine losses by analyzing and comparing data from tax return information and tax collections for each local taxing jurisdiction before and after July 1, 2008, on a calendar quarter basis. The department's analysis may be revised and supplemented in consultation with the oversight committee as provided in subsection (4) of this section. To determine net losses, the department ((~~shall~~)) must reduce losses by the amount of voluntary compliance revenue for the calendar quarter analyzed. Beginning December 31, 2008, distributions ((~~shall~~)) must be made quarterly from the streamlined sales and use tax mitigation account by the state treasurer, as directed by the department, to each local taxing jurisdiction, other than public facilities districts for losses in respect to taxes imposed under the authority of RCW 82.14.390, in an amount representing its net losses for the previous calendar quarter. Distributions ((~~shall~~)) must be made on the last working day of each calendar quarter and ((~~shall~~)) must cease when distributions under subsection (3) of this section begin.

(3)(a) By December 31, 2009, or such later date the department in consultation with the oversight committee determines that sufficient data is available, the department ((~~shall~~)) must determine each local

taxing jurisdiction's annual loss. The department ((~~shall~~)) must determine annual losses by comparing at least twelve months of data from tax return information and tax collections for each local taxing jurisdiction before and after July 1, 2008. The department ((~~shall~~)) is not ((~~be~~)) required to determine annual losses on a recurring basis, but may make any adjustments to annual losses as it deems proper as a result of the annual reviews provided in (b) of this subsection. Beginning the calendar quarter in which the department determines annual losses, and each calendar quarter thereafter, distributions ((~~shall~~)) must be made from the streamlined sales and use tax mitigation account by the state treasurer on the last working day of the calendar quarter, as directed by the department, to each local taxing jurisdiction, other than public facilities districts for losses in respect to taxes imposed under the authority of RCW 82.14.390, in an amount representing one-fourth of the jurisdiction's annual loss reduced by voluntary compliance revenue reported during the previous calendar quarter.

(b) The department's analysis of annual losses ((~~shall~~)) must be reviewed by December 1st of each year and may be revised and supplemented in consultation with the oversight committee as provided in subsection (4) of this section.

(4) The department ((~~shall~~)) must convene an oversight committee to assist in the determination of losses. The committee ((~~shall~~)) includes one representative of one city whose revenues are increased, one representative of one city whose revenues are reduced, one representative of one county whose revenues are increased, one representative of one county whose revenues are decreased, one representative of one transportation authority under RCW 82.14.045 whose revenues are increased, and one representative of one transportation authority under RCW 82.14.045 whose revenues are reduced, as a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020. Beginning July 1, 2008, the oversight committee ((~~shall~~)) must meet quarterly with the department to review and provide additional input and direction on the department's analyses of losses. Local taxing jurisdictions may also present to the oversight committee additional information to improve the department's analyses of the jurisdiction's loss. Beginning January 1, 2010, the

oversight committee ((~~shall~~)) must meet at least annually with the department by December 1st.

(5) The rule-making provisions of chapter 34.05 RCW do not apply to this section.

Sec. 967. RCW 82.45.060 and 2005 c 450 s 1 are each amended to read as follows:

There is imposed an excise tax upon each sale of real property at the rate of one and twenty-eight one-hundredths percent of the selling price. An amount equal to six and one-tenth percent of the proceeds of this tax to the state treasurer ((~~shall~~)) must be deposited in the public works assistance account created in RCW 43.155.050. Except as otherwise provided in this section, an amount equal to one and six-tenths percent of the proceeds of this tax to the state treasurer ((~~shall~~)) must be deposited in the city-county assistance account created in RCW 43.08.290. During the 2011-2013 fiscal biennium, 1.546 percent of the proceeds of this tax to the state treasurer must be deposited in the city-county assistance account.

Sec. 968. RCW 86.26.007 and 2009 c 564 s 961 are each amended to read as follows:

The flood control assistance account is hereby established in the state treasury. At the beginning of the 2005-2007 fiscal biennium, the state treasurer shall transfer three 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, except that during the 2009-2011 and 2011-2013 fiscal ((~~biennium~~)) biennia, the state treasurer shall transfer two 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.

(End of part)

PART X
GENERAL GOVERNMENT

Sec. 1001. 2010 2nd sp.s. c 1 s 101 (uncodified) is amended to read as follows:

FOR THE HOUSE OF REPRESENTATIVES

General Fund--State Appropriation (FY 2010) $33,505,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$30,934,000~~))
$30,918,000
TOTAL APPROPRIATION . . . . . ((~~$64,439,000~~))
$64,423,000

Sec. 1002. 2010 2nd sp.s. c 1 s 102 (uncodified) is amended to read as follows:

FOR THE SENATE

General Fund--State Appropriation (FY 2010) $24,960,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$24,020,000~~))
$24,008,000
TOTAL APPROPRIATION . . . . . ((~~$48,980,000~~))
$48,968,000

Sec. 1003. 2010 2nd sp.s. c 1 s 106 (uncodified) is amended to read as follows:

FOR THE SUPREME COURT

General Fund--State Appropriation (FY 2010) $6,912,000
General Fund--State Appropriation (FY 2011) . . . . . .((~~$6,844,000~~))
$6,924,000
TOTAL APPROPRIATION . . . . . ((~~$13,756,000~~))
$13,836,000

The appropriations in this section are subject to the following conditions and limitations: It is the intent of the legislature that the reductions in appropriations in this section shall be achieved, to the greatest extent possible, by reducing those state government administrative costs that do not affect direct client services or direct service delivery or programs. The agency shall, to the greatest extent possible, reduce spending in those areas that shall have the least impact on implementing its mission.

Sec. 1004. 2010 2nd sp.s. c 1 s 107 (uncodified) is amended to read as follows:

FOR THE LAW LIBRARY

General Fund--State Appropriation (FY 2010) $1,925,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,592,000~~))
$1,596,000

TOTAL APPROPRIATION . . . . . ((~~$3,517,000~~))
$3,521,000

The appropriations in this section are subject to the following conditions and limitations: It is the intent of the legislature that the reductions in appropriations in this section shall be achieved, to the greatest extent possible, by reducing those state government administrative costs that do not affect direct client services or direct service delivery or programs. The agency shall, to the greatest extent possible, reduce spending in those areas that shall have the least impact on implementing its mission.

Sec. 1005. 2010 2nd sp.s. c 1 s 108 (uncodified) is amended to read as follows:

FOR THE COURT OF APPEALS

General Fund--State Appropriation (FY 2010) $15,632,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$15,517,000~~))
$15,593,000

TOTAL APPROPRIATION . . . . . ((~~$31,149,000~~))
$31,225,000

The appropriations in this section are subject to the following conditions and limitations: It is the intent of the legislature that the reductions in appropriations in this section shall be achieved, to the greatest extent possible, by reducing those state government administrative costs that do not affect direct client services or direct service delivery or programs. The agency shall, to the greatest extent possible, reduce spending in those areas that shall have the least impact on implementing its mission.

Sec. 1006. 2011 c 5 s 106 (uncodified) is amended to read as follows:

FOR THE ADMINISTRATOR FOR THE COURTS

General Fund--State Appropriation (FY 2010) $52,644,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$49,260,000~~))
$49,196,000
General Fund--Federal Appropriation $979,000
Judicial Information Systems Account--State
Appropriation . . . . . ((~~$33,406,000~~))
$31,407,000
Judicial Stabilization Trust Account--State
Appropriation $6,598,000
TOTAL APPROPRIATION . . . . . ((~~$142,887,000~~))
$140,824,000

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

(1) $1,800,000 of the general fund--state appropriation for fiscal year 2010 and $1,387,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for school districts for petitions to juvenile court for truant students as provided in RCW 28A.225.030 and 28A.225.035. The office of the administrator for the courts shall develop an interagency agreement with the superintendent of public instruction to allocate the funding provided in this subsection. Allocation of this money to school districts shall be based on the number of petitions filed. This funding includes amounts school districts may expend on the cost of serving petitions filed under RCW 28A.225.030 by certified mail or by personal service or for the performance of service of process for any hearing associated with RCW 28A.225.030. Absences from school occurring in the months of May and June 2011 do not count towards the number of absences allowed under RCW 28A.225.030. Reductions in appropriations in this section reflect reduced workload associated with filing petitions generated through absences occurring in May and June.

(2)(a) $8,252,000 of the general fund--state appropriation for fiscal year 2010 and $7,534,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for distribution to county juvenile court administrators to fund the costs of processing truancy, children in need of services, and at-risk youth petitions. The administrator for the courts, in conjunction with the juvenile court administrators, shall develop an equitable funding distribution formula. The formula shall neither reward counties with higher than

average per-petition processing costs nor shall it penalize counties with lower than average per-petition processing costs.

(b) Each fiscal year during the 2009-11 fiscal biennium, each county shall report the number of petitions processed and the total actual costs of processing truancy, children in need of services, and at-risk youth petitions. Counties shall submit the reports to the administrator for the courts no later than 45 days after the end of the fiscal year. The administrator for the courts shall electronically transmit this information to the chairs and ranking minority members of the house of representatives appropriations committee and the senate ways and means committee no later than 60 days after a fiscal year ends. These reports are deemed informational in nature and are not for the purpose of distributing funds.

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

(4) ((~~$5,700,000~~)) $3,701,000 of the judicial information systems account--state appropriation is provided solely for modernization and integration of the judicial information system.

(a) Of this amount, $1,700,000 is for the development of a comprehensive enterprise-level information technology strategy and detailed business and operational plans in support of that strategy, and ((~~$4,000,000~~)) $2,001,000 is to continue to modernize and integrate current systems and enhance case management functionality on an incremental basis.

(b) The amount provided in this subsection may not be expended without prior approval by the judicial information system committee. The administrator shall regularly submit project plan updates for approval to the judicial information system committee.

(c) The judicial information system committee shall review project progress on a regular basis and may require quality assurance plans. The judicial information systems committee shall provide a report to the appropriate committees of the legislature no later than November 1, 2011, on the status of the judicial information system modernization and integration, and the consistency of the project with the state's

architecture, infrastructure and statewide enterprise view of service delivery.

(d) $100,000 of the judicial information systems account--state appropriation is provided solely for the administrative office of the courts, in coordination with the judicial information system committee, to conduct an independent third-party executive-level review of the judicial information system. This review shall examine, at a minimum, the scope of the current project plan, governance structure, and organizational change management procedures. The review will also benchmark the system plans against similarly sized projects in other states or localities, review the large scale program risks, and estimate life cycle costs, including capital and on-going operational expenditures.

(5) $3,000,000 of the judicial information systems account--state appropriation is provided solely for replacing computer equipment at state courts, and at state judicial agencies. The administrator for the courts shall prioritize equipment replacement purchasing and shall fund those items that are most essential or critical. By October 1, 2010, the administrative office of the courts shall report to the appropriate legislative fiscal committees on expenditures for equipment under this subsection.

(6) $12,000 of the judicial information systems account--state appropriation is provided solely to implement Engrossed Substitute House Bill No. 1954 (sealing juvenile records). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(7) ((~~$106,000 of the general fund--state appropriation for fiscal year 2010 and $106,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the twenty-third superior court judge position in Pierce county. The funds appropriated in this subsection shall be expended only if the judge is appointed and serving on the bench.~~

~~(8)~~)) It is the intent of the legislature that the reductions in appropriations in this section shall be achieved, to the greatest extent possible, by reducing those state government administrative costs that do not affect direct client services or direct service delivery or programs. The agency shall, to the greatest extent

possible, reduce spending in those areas that shall have the least impact on implementing its mission.

((~~(9)~~)) (8) $44,000 of the judicial information systems account--state appropriation is provided solely to implement chapter 272, Laws of 2010 (SHB 2680; guardianship).

((~~(10)~~)) (9) $274,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the office of public guardianship to provide guardianship services for low-income incapacitated persons.

((~~(11)~~)) (10) $3,797,000 of the judicial information systems account--state appropriation is provided solely for continued planning and implementation of improvements to the court case management system.

((~~(12)~~)) (11) In accordance with RCW 43.135.055, the administrative office of the courts is authorized to adopt and increase the fees set forth in and previously authorized in section 6, chapter 491, Laws of 2009.

Sec. 1007. 2011 c 5 s 107 (uncodified) is amended to read as follows:

FOR THE SECRETARY OF STATE

General Fund--State Appropriation (FY 2010) $21,105,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$13,612,000~~))
$14,727,000
General Fund--Federal Appropriation $8,082,000
Archives and Records Management Account--State
Appropriation $8,990,000
Charitable Organization Education Account--State
Appropriation $76,000
Department of Personnel Service Account--State
Appropriation $757,000
Election Account--State Appropriation $77,000
Local Government Archives Account--State
Appropriation $11,515,000
Election Account--Federal Appropriation $31,163,000
TOTAL APPROPRIATION . . . . . ((~~$95,377,000~~))
$96,492,000

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

(1) $4,101,000 of the general fund--state appropriation for fiscal year 2010 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)(a) $1,897,000 of the general fund--state appropriation for fiscal year 2010 and $1,845,000 of the general fund--state appropriation for fiscal year 2011 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 2009-2011 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 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.

(3) The appropriations in this section are based upon savings assumed from the implementation of Senate Bill No. 6122 (election costs).

(4) In implementing budget reductions, the office of the secretary of state must make its first priority to maintain funding for the elections division.

(5) $76,000 of the charitable organization education account--state appropriation for fiscal year 2011 is provided solely to implement Second Substitute House Bill No. 2576 (corporation and charity fees). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(6) $77,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for deposit to the election account.

Sec. 1008. 2011 c 5 s 108 (uncodified) is amended to read as follows:

FOR THE PUBLIC DISCLOSURE COMMISSION

General Fund--State Appropriation (FY 2010) $2,249,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,969,000~~))
$1,967,000
TOTAL APPROPRIATION . . . . . ((~~$4,218,000~~))
$4,216,000

Sec. 1009. 2011 c 5 s 113 (uncodified) is amended to read as follows:

FOR THE ATTORNEY GENERAL

General Fund--State Appropriation (FY 2010) $5,732,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$5,272,000~~))
$5,268,000
General Fund--Federal Appropriation $4,026,000
New Motor Vehicle Arbitration Account--State
Appropriation $1,350,000
Legal Services Revolving Account--State
Appropriation . . . . . ((~~$224,523,000~~))
$225,760,000
Tobacco Prevention and Control Account--State

Appropriation $270,000

TOTAL APPROPRIATION . . . . . ((~~$241,173,000~~))
$242,406,000

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. As part of its by agency report to the legislative fiscal committees and the office of financial management, the office of the attorney general shall include information detailing the agency's expenditures for its agency-wide overhead and a breakdown by division of division administration expenses.

(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 ways and means.

(3) The office of the attorney general is authorized to expend $2,100,000 from the Zyprexa and other cy pres awards towards consumer protection costs in accordance with uses authorized in the court orders.

(4) The attorney general shall annually report to the fiscal committees of the legislature all new cy pres awards and settlements and all new accounts, disclosing their intended uses, balances, the nature of the claim or account, proposals, and intended timeframes for the expenditure of each amount. The report shall be distributed electronically and posted on the attorney general's web site. The report shall not be printed on paper or distributed physically.

(5) The executive ethics board must produce a report by the end of the calendar year for the legislature regarding performance measures on the efficiency and effectiveness of the board, as well as on performance measures to measure and monitor the ethics and integrity of all state agencies.

(6) $53,000 of the legal services revolving account--state

appropriation is provided solely to implement Engrossed Second Substitute House Bill No. 3026 (school district compliance with state and federal civil rights laws).

Sec. 1010. 2011 c 5 s 114 (uncodified) is amended to read as follows:

FOR THE CASELOAD FORECAST COUNCIL

General Fund--State Appropriation (FY 2010) $766,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$660,000~~))
$658,000
TOTAL APPROPRIATION . . . . . ((~~$1,426,000~~))
$1,424,000

The appropriations in this section are subject to the following conditions and limitations: $13,000 of the general fund--state appropriation for fiscal year 2010 and $7,000 of the general fund--state appropriation for fiscal year 2011 are for the implementation of Second Substitute House Bill No. 2106 (improving child welfare outcomes through the phased implementation of strategic and proven reforms). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

Sec. 1011. 2011 c 5 s 115 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMERCE

General Fund--State Appropriation (FY 2010) $49,670,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$36,739,000~~))
$36,710,000
General Fund--Federal Appropriation $385,601,000
General Fund--Private/Local Appropriation $10,972,000
Public Works Assistance Account--State
Appropriation $2,974,000
Tourism Development and Promotion Account--State
Appropriation $798,000
Drinking Water Assistance Administrative
Account--State Appropriation $433,000
Lead Paint Account--State Appropriation $35,000
Building Code Council Account--State Appropriation $688,000
Home Security Fund Account--State Appropriation $24,486,000

Affordable Housing for All Account--State
Appropriation $11,896,000
Washington Auto Theft Prevention Authority
Account--State Appropriation $300,000
Independent Youth Housing Account--State Appropriation $220,000
County Research Services Account--State Appropriation $469,000
Community Preservation and Development Authority
Account--State Appropriation $350,000
Financial Fraud and Identity Theft Crimes Investigation
and Prosecution Account--State Appropriation $1,166,000
Low-Income Weatherization Assistance Account--State
Appropriation $6,882,000
City and Town Research Services Account--State
Appropriation $2,246,000
Manufacturing Innovation and Modernization
Account--State Appropriation $230,000
Community and Economic Development Fee Account--State
Appropriation $6,922,000
Washington Housing Trust Account--State
Appropriation $15,348,000
Prostitution Prevention and Intervention Account--
State Appropriation $125,000
Public Facility Construction Loan Revolving
Account--State Appropriation $754,000
TOTAL APPROPRIATION . . . . . ((~~$559,304,000~~))
<u>$559,275,000</u>

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

(1) $2,378,000 of the general fund--state appropriation for fiscal year 2010 and $2,117,000 of the general fund--state appropriation for fiscal year 2011 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.

(2) 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 collect payments on outstanding loans, and deposit

them into the state general fund. Repayments of funds owed under the program shall be remitted to the department according to the terms included in the original loan agreements.

(3) $100,000 of the general fund--state appropriation for fiscal year 2010 and $89,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement section 2(7) of Engrossed Substitute House Bill No. 1959 (land use and transportation planning for marine container ports).

(4) $102,000 of the building code council account--state appropriation is provided solely for the implementation of sections 3 and 7 of Engrossed Second Substitute Senate Bill No. 5854 (built environment pollution). If sections 3 and 7 of the bill are not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(5)(a) $10,500,000 of the general fund--federal appropriation is provided for training and technical assistance associated with low income weatherization programs. Subject to federal requirements, the department shall provide: (i) Up to $4,000,000 to the state board for community and technical colleges to provide workforce training related to weatherization and energy efficiency; (ii) up to $3,000,000 to the Bellingham opportunity council to provide workforce training related to energy efficiency and weatherization; and (iii) up to $3,500,000 to community-based organizations and to community action agencies consistent with the provisions of Engrossed Second Substitute House Bill No. 2227 (evergreen jobs act). Any funding remaining shall be expended in project 91000013, weatherization, in the omnibus capital appropriations act, Substitute House Bill No. 1216 (capital budget).

(b) $6,787,000 of the general fund--federal appropriation is provided solely for the state energy program, including not less than $5,000,000 to provide credit enhancements consistent with the provisions of Engrossed Second Substitute Senate Bill No. 5649 (energy efficiency in buildings).

(c) Of the general fund--federal appropriation the department shall provide: $14,500,000 to the Washington State University for the purpose of making grants for pilot projects providing community-wide urban, residential, and commercial energy efficiency upgrades consistent with the provisions of Engrossed Second Substitute Senate Bill No. 5649 (energy efficiency in buildings); $500,000 to Washington

State University to conduct farm energy assessments. In contracting with the Washington State University for the provision of these services, the total administration of Washington State University and the department shall not exceed 3 percent of the amounts provided.

(d) $38,500,000 of the general fund--federal appropriation is provided for deposit in the energy recovery act account to establish a revolving loan program, consistent with the provisions of Engrossed Substitute House Bill No. 2289 (expanding energy freedom program).

(e) $10,646,000 of the general fund--federal appropriation is provided pursuant to the energy efficiency and conservation block grant under the American reinvestment and recovery act. The department may use up to $3,000,000 of the amount provided in this subsection to provide technical assistance for energy programs administered by the agency under the American reinvestment and recovery act.

(6) $14,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5560 (state agency climate leadership). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(7) $22,400,000 of the general fund--federal appropriation is provided solely for the justice assistance grant program and is contingent upon the department transferring: $1,200,000 to the department of corrections for security threat mitigation, $2,336,000 to the department of corrections for offender reentry, $1,960,000 to the Washington state patrol for law enforcement activities, $2,087,000 to the department of social and health services, division of alcohol and substance abuse for drug courts, and $428,000 to the department of social and health services for sex abuse recognition training. The remaining funds shall be distributed by the department to local jurisdictions.

(8) $20,000 of the general fund--state appropriation for fiscal year 2010 and $18,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant to KCTS public television to support Spanish language programming and the V-me Spanish language channel.

(9) $500,000 of the general fund--state appropriation for fiscal year 2010 and $447,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant to resolution

Washington to building statewide capacity for alternative dispute resolution centers and dispute resolution programs that guarantee that citizens have access to low-cost resolution as an alternative to litigation.

(10) $30,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 6015 (commercialization of technology). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(11) By June 30, 2011, the department shall request information that describes what jurisdictions have adopted, or are in the process of adopting, plans that address RCW 36.70A.020 and helps achieve the greenhouse gas emission reductions established in RCW 70.235.020. This information request in this subsection applies to jurisdictions that are required to review and if necessary revise their comprehensive plans in accordance with RCW 36.70A.130.

(12) During the 2009-11 fiscal biennium, the department shall allot all of its appropriations subject to allotment by object, account, and expenditure authority code to conform with the office of financial management's definition of an option 2 allotment. For those funds subject to allotment but not appropriation, the agency shall submit option 2 allotments to the office of financial management.

(13) $50,000 of the general fund--state appropriation for fiscal year 2010 and $35,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant for the state's participation in the Pacific Northwest economic region.

(14) $712,000 of the general fund--state appropriation for fiscal year 2010 and $559,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to the office of crime victims advocacy. These funds shall be contracted with the 39 county prosecuting attorneys' offices to support victim-witness services. The funds must be prioritized to ensure a full-time victim- witness coordinator in each county. The office may retain only the amount currently allocated for this activity for administrative costs.

(15) $306,000 of the general fund--state appropriation for fiscal year 2010 and $274,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant to the retired senior volunteer program.

(16) $65,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for a contract with a food distribution program for communities in the southwestern portion of the state and for workers impacted by timber and salmon fishing closures and reductions. The department may not charge administrative overhead or expenses to the funds provided in this subsection.

(17) $371,000 of the general fund--state appropriation for fiscal year 2010 and $290,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to the northwest agriculture business center.

(18) The department shall administer its growth management act technical assistance so that smaller cities receive proportionately more assistance than larger cities or counties.

(19) $212,000 of the general fund--federal appropriation is provided solely for implementation of Second Substitute House Bill No. 1172 (development rights transfer). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(20) $69,000 of the general fund--state appropriation for fiscal year 2010 and $60,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Second Substitute House Bill No. 2227 (evergreen jobs act). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(21) $350,000 of the community development and preservation authority account--state appropriation is provided solely for a grant to a community development authority established under chapter 43.167 RCW. The community preservation and development's board of directors may contract with nonprofit community organizations to aid in mitigating the effects of increased public impact on urban neighborhoods due to events in stadia that have a capacity of over 50,000 spectators.

(22) $300,000 of the Washington auto theft prevention authority account--state appropriation is provided solely for a contract with a community group to build local community capacity and economic development within the state by strengthening political relationships between economically distressed communities and governmental institutions. The community group shall identify opportunities for collaboration and initiate activities and events that bring community

organizations, local governments, and state agencies together to address the impacts of poverty, political disenfranchisement, and economic inequality on communities of color. These funds must be matched by other nonstate sources on an equal basis.

(23) $1,800,000 of the home security fund--state appropriation is provided for transitional housing assistance or partial payments for rental assistance under the independent youth housing program.

(24) $5,000,000 of the home security fund--state appropriation is provided solely for the operation, repair, and staffing of shelters in the homeless family shelter program.

(25) $253,000 of the general fund--state appropriation for fiscal year 2010 and $253,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington new Americans program.

(26) $438,000 of the general fund--state appropriation for fiscal year 2010 and $394,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington asset building coalitions.

(27) $3,231,000 of the general fund--state appropriation for fiscal year 2010 and $2,953,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for associate development organizations.

(28) $5,400,000 of the community and economic development fee account is provided as follows: $1,000,000 is provided solely for the department of commerce for services for homeless families through the Washington families fund; $2,600,000 is provided solely for housing trust fund operations and maintenance; $800,000 is provided solely for housing trust fund portfolio management; $500,000 is provided solely for foreclosure counseling and support; and $500,000 is provided solely for use as a reserve in the account.

(29) $237,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the department to administer a competitive grant program to fund economic development activities designed to further regional cluster growth and to integrate its sector-based and cluster-based strategies with its support for the development of innovation partnership zones. Grant recipients must provide matching funds equal to the size of the grant. Grants may be awarded to support the formation of sector associations or cluster

associations, the identification of the technology and commercialization needs of a sector or cluster, facilitating working relationships between a sector association or cluster association and an innovation partnership zone, expanding the operations of an innovation partnership zone, and developing and implementing plans to meet the technology development and commercialization needs of industry sectors, industry clusters, and innovation partnership zones. The projects receiving grants must not duplicate the purpose or efforts of industry skill panels but priority must be given to applicants that complement industry skill panels and will use the grant funds to build linkages and joint projects.

(30) $62,000 of the general fund--state appropriation for fiscal year 2011 is provided solely to:

(a) Develop a rural manufacturer export outreach program in conjunction with impact Washington. The program must provide outreach services to rural manufacturers in Washington to inform them of the importance of and opportunities in international trade, and to inform them of the export assistance programs available to assist these businesses to become exporters; and

(b) Develop export loan or loan guarantee programs in conjunction with the Washington economic development finance authority and the appropriate federal and private entities.

(31) $750,000 of the general fund--state appropriation for fiscal year 2011 is provided solely to implement the provisions of chapter 13, Laws of 2010 (global health program).

(32) $50,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the creation of the Washington entrepreneurial development and small business reference service in the department of commerce.

(a) The department must:

(i) In conjunction with and drawing on information compiled by the work force training and education coordinating board and the Washington economic development commission:

(A) Establish and maintain an inventory of the public and private entrepreneurial training and technical assistance services, programs, and resources available in the state;

(B) Disseminate information about available entrepreneurial development and small business assistance services, programs, and

resources via in-person presentations and electronic and printed materials and undertake other activities to raise awareness of entrepreneurial training and small business assistance offerings; and

(C) Evaluate the extent to which existing entrepreneurial training and technical assistance programs in the state are effective and represent a consistent, integrated approach to meeting the needs of start-up and existing entrepreneurs;

(ii) Assist providers of entrepreneurial development and small business assistance services in applying for federal and private funding to support the entrepreneurial development and small business assistance activities in the state;

(iii) Distribute awards for excellence in entrepreneurial training and small business assistance; and

(iv) Report to the governor, the economic development commission, the work force training and education coordinating board, and the appropriate legislative committees its recommendations for statutory changes necessary to enhance operational efficiencies or enhance coordination related to entrepreneurial development and small business assistance.

(b) In carrying out the duties under this section, the department must seek the advice of small business owners and advocates, the Washington economic development commission, the work force training and education coordinating board, the state board for community and technical colleges, the employment security department, the Washington state microenterprise association, associate development organizations, impact Washington, the Washington quality award council, the Washington technology center, the small business export finance assistance center, the Spokane intercollegiate research and technology institute, representatives of the University of Washington business school and the Washington State University college of business and economics, the office of minority and women's business enterprises, the Washington economic development finance authority, and staff from small business development centers.

(c) The director may appoint an advisory board or convene such other individuals or groups as he or she deems appropriate to assist in carrying out the department's duties under this section.

(33) $45,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for a grant to HistoryLink.

Sec. 1012. 2010 2nd sp.s. c 1 s 116 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT

General Fund--State Appropriation (FY 2010) $21,089,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$18,285,000~~))

$17,996,000

General Fund--Federal Appropriation $27,103,000

General Fund--Private/Local Appropriation $1,270,000

State Auditing Services Revolving

Account--State Appropriation $25,000

Economic Development Strategic Reserve Account--

State Appropriation $278,000

TOTAL APPROPRIATION . . . . . ((~~$68,050,000~~))

$67,761,000

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

(1) $188,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the implementation of Second Substitute Senate Bill No. 5945 (Washington health partnership plan). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(2) The office of financial management shall conduct a study on alternatives for consolidating or transferring activities and responsibilities of the state lottery commission, state horse racing commission, state liquor control board, and the state gambling commission to achieve cost savings and regulatory efficiencies. In conducting the study, the office of financial management shall consult with the legislative fiscal committees. Further, the office of financial management shall establish an advisory group to include, but not be limited to, representatives of affected businesses, state agencies or entities, local governments, and stakeholder groups. The office of financial management shall submit a final report to the governor and the legislative fiscal committees by November 15, 2009.

(3) $110,000 of the general fund--state appropriation for fiscal year 2011 is provided solely to implement Second Substitute Senate Bill No. 6578 (multiagency permitting teams). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(4) The office of financial management shall, with the assistance of the natural resources cabinet as created in executive order 09-07, reduce the number of facilities being leased by the state by consolidating, wherever possible, regional offices and storage facilities of the natural resource agencies. The office of financial management and the natural resources cabinet shall submit a report on the progress of this effort and the associated savings to the appropriate fiscal committees of the legislature no later than December 1, 2010.

(5)(a) $50,000 of the general fund--state appropriation for fiscal year 2010 and $150,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the purposes of the office of financial management:

(i) Conducting a technical and financial analysis of the state's plan for the consolidated state data center and office building; and

(ii) Developing a strategic business plan outlining the various options for use of the site that maximize taxpayer value consistent with the terms of the finance lease and related agreements.

(b) The analysis required in (a)(i) of this subsection must consist of, at a minimum, an assessment of the following issues:

(i) The total capital and operational costs for the proposed data center and office building;

(ii) The occupancy rate for the consolidated state data center, as compared to total capacity, that will result in revenue exceeding total capital and operating expenses;

(iii) The potential reallocation of resources that could result from the consolidation of state data centers and office space; and

(iv) The potential return on investment for the consolidated state data center and office building that may be realized without impairing any existing contractual rights under the terms of the financing lease and related agreements.

(c) This review must build upon the analysis and migration strategy for the consolidated state data center being prepared for the department of information services.

(d) The strategic plan must be submitted to the governor and the legislature by December 1, 2010.

(6) Appropriations in this section include amounts sufficient to

implement Engrossed Substitute House Bill No. 3178 (technology efficiencies).

Sec. 1013. 2011 c 5 s 117 (uncodified) is amended to read as follows:

FOR THE OFFICE OF ADMINISTRATIVE HEARINGS

Administrative Hearings Revolving Account--State

Appropriation . . . . . ((~~$34,468,000~~))

$34,805,000

The appropriation in this section is subject to the following conditions and limitations: $725,000 of the administrative hearings revolving account--state appropriation is provided solely to implement Engrossed Second Substitute House Bill No. 2782 (security lifeline act). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

Sec. 1014. 2011 c 5 s 118 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON HISPANIC AFFAIRS

General Fund--State Appropriation (FY 2010) $250,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$227,000~~))

$226,000

TOTAL APPROPRIATION . . . . . ((~~$477,000~~))

$476,000

Sec. 1015. 2011 c 5 s 119 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS

General Fund--State Appropriation (FY 2010) $243,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$210,000~~))

$221,000

TOTAL APPROPRIATION . . . . . ((~~$453,000~~))

$464,000

Sec. 1016. 2011 c 5 s 120 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF REVENUE

General Fund--State Appropriation (FY 2010) $109,472,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$107,662,000~~)) $107,169,000

Timber Tax Distribution Account--State Appropriation $5,933,000

Waste Reduction/Recycling/Litter Control--State Appropriation $130,000

Waste Tire Removal Account--State Appropriation $2,000

Real Estate Excise Tax Grant Account--State Appropriation $3,429,000

State Toxics Control Account--State Appropriation $87,000

Oil Spill Prevention Account--State Appropriation $19,000

TOTAL APPROPRIATION . . . . . .((~~$226,734,000~~)) $226,241,000

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

(1) $469,000 of the general fund--state appropriation for fiscal year 2010 and $374,000 of the general fund--state appropriation for fiscal year 2011 are for the implementation of Substitute Senate Bill No. 5368 (annual property revaluation). If the bill is not enacted by June 30, 2009, the amounts in this subsection shall lapse.

(2) $4,653,000 of the general fund--state appropriation for fiscal year 2010 and $4,242,000 of the general fund--state appropriation for fiscal year 2011 are for the implementation of revenue enhancement strategies. The strategies must include increased out-of-state auditing and compliance, the purchase of third party data sources for enhanced audit selection, and increased traditional auditing and compliance efforts.

(3) $3,127,000 of the general fund--state appropriation for fiscal year 2010 and $1,737,000 of the general fund--state appropriation for fiscal year 2011 are for the implementation of Senate Bill No. 6173 (sales tax compliance). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(4) $1,294,000 of the general fund--state appropriation for fiscal year 2010 and $3,085,000 of the general fund--state appropriation for fiscal year 2011 are for the implementation of Second Engrossed Substitute Senate Bill No. 6143 (excise tax law modifications). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

(5) $163,000 of the general fund--state appropriation for fiscal year 2011 is provided solely to implement Substitute Senate Bill No. 6846 (enhanced 911 services). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(6) $304,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for making the necessary preparations for implementation of the working families tax exemption pursuant to RCW 82.08.0206 in 2012.

Sec. 1017. 2011 c 5 s 121 (uncodified) is amended to read as follows:

FOR THE BOARD OF TAX APPEALS

General Fund--State Appropriation (FY 2010) $1,346,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,195,000~~))
$1,194,000
TOTAL APPROPRIATION . . . . . ((~~$2,541,000~~))
$2,540,000

Sec. 1018. 2011 c 5 s 122 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

General Fund--State Appropriation (FY 2010) $815,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$3,527,000~~))
$3,524,000
General Fund--Federal Appropriation $2,956,000
Building Code Council Account--State Appropriation $875,000
General Fund--Private/Local Appropriation $84,000
General Administration Service Account--State
Appropriation $31,397,000
TOTAL APPROPRIATION . . . . . ((~~$39,654,000~~))
$39,651,000

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

(1) $28,000 of the general fund--state appropriation for fiscal year 2010 and $14,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the purposes of section 8 of Engrossed Second Substitute Senate Bill No. 5854 (built environment

pollution). If section 8 of the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(2) $3,197,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the payment of facilities and services charges, utilities and contracts charges, public and historic facilities charges, and capital projects surcharges allocable to the senate, house of representatives, statute law committee, and joint legislative systems committee. The department shall allocate charges attributable to these agencies among the affected revolving funds. The department shall enter into an interagency agreement with these agencies by July 1, 2010, to establish performance standards, prioritization of preservation and capital improvement projects, and quality assurance provisions for the delivery of services under this subsection. The agencies named in this subsection shall continue to enjoy all of the same rights of occupancy, support, and space use on the capitol campus as historically established.

(3) $84,000 of the general fund--private/local appropriation and $593,000 of the building code council account--state appropriation are provided solely to implement Engrossed Second Substitute House Bill No. 2658 (refocusing the department of commerce, including transferring programs). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

(4) In accordance with RCW 46.08.172 and 43.135.055, the department is authorized to increase parking fees in fiscal year 2011 as necessary to meet the actual costs of conducting business.

Sec. 1019. 2011 c 5 s 125 (uncodified) is amended to read as follows:

FOR THE MILITARY DEPARTMENT

General Fund--State Appropriation (FY 2010) $9,350,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$7,898,000~~))

<u>$7,890,000</u>

General Fund--Federal Appropriation $168,599,000

Enhanced 911 Account--State Appropriation $44,508,000

Disaster Response Account--State Appropriation $28,350,000

Disaster Response Account--Federal Appropriation $114,496,000

Military Department Rent and Lease Account--State

Appropriation $612,000

Military Department Active State Service Account--Federal Appropriation $592,000

Worker and Community Right-to-Know Account--State Appropriation $341,000

Nisqually Earthquake Account--State Appropriation $307,000

Nisqually Earthquake Account--Federal Appropriation $1,067,000

TOTAL APPROPRIATION . . . . . ((~~$376,120,000~~)) $376,112,000

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

(1) $28,326,000 of the disaster response account--state appropriation and $114,496,000 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 to the office of financial management and the legislative fiscal committees on October 1st and February 1st of each year 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 2009-2011 biennium based on current revenue and expenditure patterns.

(2) $307,000 of the Nisqually earthquake account--state appropriation and $1,067,000 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 to the office of financial management and the legislative fiscal committees on October 1st and February 1st of each year 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 2009-2011 biennium based on current revenue and expenditure patterns.

(3) $85,000,000 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; and

(b) The department shall submit an annual 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; and incremental changes from the previous estimate.

(4) $500,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the military department to contract with the Washington information network 2-1-1 to operate a statewide 2-1-1 system. The department shall provide the entire amount for 2-1-1 and may not use any of the funds for administrative purposes.

Sec. 1020. 2011 c 5 s 126 (uncodified) is amended to read as follows:

FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

General Fund--State Appropriation (FY 2010) $2,667,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$2,345,000~~))
<u>$2,344,000</u>

Higher Education Personnel Services Account--State
Appropriation $250,000

Department of Personnel Service Account--State
Appropriation $3,263,000

TOTAL APPROPRIATION . . . . . ((~~$8,525,000~~))
<u>$8,524,000</u>

The appropriations in this section are subject to the following conditions and limitations: $50,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of Engrossed Substitute Senate Bill No. 6726 (language access provider bargaining).

Sec. 1021. 2011 c 5 s 127 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION

General Fund--State Appropriation (FY 2010) $1,371,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,230,000~~))
$1,197,000

General Fund--Federal Appropriation $2,293,000

General Fund--Private/Local Appropriation $14,000

TOTAL APPROPRIATION . . . . . ((~~$4,908,000~~))
$4,875,000

The appropriations in this section are subject to the following conditions and limitations: $44,000 of the general fund--state appropriation for fiscal year 2011 is provided for implementation of Substitute House Bill No. 2704 (Washington main street program). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

Sec. 1022. 2011 c 5 s 128 (uncodified) is amended to read as follows:

FOR THE GROWTH MANAGEMENT HEARINGS BOARD

General Fund--State Appropriation (FY 2010) $1,642,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,334,000~~))
$1,331,000

TOTAL APPROPRIATION . . . . . ((~~$2,976,000~~))
$2,973,000

The appropriations in this section are subject to the following conditions and limitations: $12,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for Substitute House Bill No. 2935 (hearings boards/environment and land use). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(End of part)

PART XI
HUMAN SERVICES

Sec. 1101. 2010 1st sp.s. c 37 s 201 (uncodified) is amended to read as follows:

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

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

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

(4) 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, nor expand beyond one county, during the 2009-2011 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 project, times the number of clients enrolled in the pilot project. 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.

(5)(a) The appropriations to the department of social and health services in this act shall be expended for the programs and in the amounts specified in this act. However, after May 1, ((~~2010~~)) 2011, unless specifically prohibited by this act, the department may transfer general fund--state appropriations for fiscal year ((~~2010~~)) 2011 among programs after approval by the director of financial management. However, the department shall not transfer state moneys that are provided solely for a specified purpose except as expressly provided in (b) of this subsection.

(b) To the extent that transfers under (a) of this subsection are insufficient to fund actual expenditures in excess of fiscal year ((~~2010~~)) 2011 caseload forecasts and utilization assumptions in the medical assistance, long-term care, foster care, adoptions support, and child support programs, the department may transfer state moneys that are provided solely for a specified purpose. The department shall not transfer funds, and the director of financial management shall not approve the transfer, unless the transfer is consistent with the objective of conserving, to the maximum extent possible, the

expenditure of state funds. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing seven days prior to approving any allotment modifications or transfers under this subsection. The written notification shall include a narrative explanation and justification of the changes, along with expenditures and allotments by budget unit and appropriation, both before and after any allotment modifications or transfers.

(6) The legislature finds that medicaid payment rates, as calculated by the department pursuant to the appropriations in this act, bear a reasonable relationship to the costs incurred by efficiently and economically operated facilities for providing quality services and will be sufficient to enlist enough providers so that care and services are available to the extent that such care and services are available to the general population in the geographic area. The legislature finds that cost reports, payment data from the federal government, historical utilization, economic data, and clinical input constitute reliable data upon which to determine the payment rates.

Sec. 1102. 2011 c 5 s 201 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) $315,002,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$287,643,000~~))
$285,342,000
General Fund--Federal Appropriation . . . . . ((~~$494,136,000~~))
$494,749,000
General Fund--Private/Local Appropriation $3,320,000
Home Security Fund Appropriation $8,406,000
Domestic Violence Prevention Account--State
Appropriation $1,154,000
Education Legacy Trust Account--State Appropriation $725,000
TOTAL APPROPRIATION . . . . . ((~~$1,110,386,000~~))
$1,108,698,000

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

(1) $937,000 of the general fund--state appropriation for fiscal year 2010 and $696,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to contract for the operation of one pediatric interim care facility. The facility shall provide residential care for up to thirteen children through two years of age. Seventy-five percent of the children served by the facility must be in need of special care as a result of substance abuse by their mothers. The facility shall also provide on-site training to biological, adoptive, or foster parents. The facility shall provide at least three months of consultation and support to parents accepting placement of children from the facility. The facility may recruit new and current foster and adoptive parents for infants served by the facility. The department shall not require case management as a condition of the contract.

(2) $369,000 of the general fund--state appropriation for fiscal year 2010, $343,000 of the general fund--state appropriation for fiscal year 2011, and $306,000 of the general fund--federal appropriation are provided solely 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.

(3) $2,500,000 of the general fund--state appropriation for fiscal year 2010 and $46,000 of the general fund--state appropriation for fiscal year 2011, and $2,098,000 of the home security fund--state appropriation are provided solely for secure crisis residential centers. Within appropriated amounts, the department shall collaborate with providers to maintain no less than forty-five beds that are geographically representative of the state. The department shall examine current secure crisis residential staffing requirements, flexible payment options, center specific waivers, and other appropriate methods to accomplish this outcome.

(4) A maximum of $69,190,000 of the general fund--state appropriations and $54,443,000 of the general fund--federal

appropriations for the 2009-11 biennium shall be expended for behavioral rehabilitative services and these amounts are provided solely for this purpose. The department shall work with behavioral rehabilitative service providers to safely keep youth with emotional, behavioral, or medical needs at home, with relatives, or with other permanent placement resources and decrease the length of service through improved emotional, behavioral, or medical outcomes for children in behavioral rehabilitative services in order to achieve the appropriated levels.

(a) Contracted providers shall act in good faith and accept the hardest to serve children, to the greatest extent possible, in order to improve their emotional, behavioral, or medical conditions.

(b) The department and the contracted provider shall mutually agree and establish an exit date for when the child is to exit the behavioral rehabilitative service provider. The department and the contracted provider should mutually agree, to the greatest extent possible, on a viable placement for the child to go to once the child's treatment process has been completed. The child shall exit only when the emotional, behavioral, or medical condition has improved or if the provider has not shown progress toward the outcomes specified in the signed contract at the time of exit. This subsection (b) does not prevent or eliminate the department's responsibility for removing the child from the provider if the child's emotional, behavioral, or medical condition worsens or is threatened.

(c) The department is encouraged to use performance-based contracts with incentives directly tied to outcomes described in this section. The contracts should incentivize contracted providers to accept the hardest to serve children and incentivize improvement in children's emotional, mental, and medical well-being within the established exit date. The department is further encouraged to increase the use of behavioral rehabilitative service group homes, wrap around services to facilitate and support placement of youth at home with relatives, or other permanent resources, and other means to control expenditures.

(d) The total foster care per capita amount shall not increase more than four percent in the 2009-11 biennium and shall not include behavioral rehabilitative service.

(5) 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.

(6) $13,387,000 of the general fund--state appropriation for fiscal year 2011 and $6,231,000 of the general fund--federal appropriation are provided solely for the department to provide contracted prevention and early intervention services. The legislature recognizes the need for flexibility as the department transitions to performance-based contracts. The following services are included in the prevention and early intervention block grant: Crisis family intervention services, family preservation services, intensive family preservation services, evidence-based programs, public health nurses, and early family support services. The legislature intends for the department to maintain and build on existing evidence-based and research-based programs with the goal of utilizing contracted prevention and intervention services to keep children safe at home and to safely reunify families. Priority shall be given to proven intervention models, including evidence-based prevention and early intervention programs identified by the Washington state 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 and shall provide the legislature and governor a report regarding the allocation of resources in this subsection by September 30, 2010. The department shall expend federal funds under this subsection in compliance with federal regulations.

(7) $36,000 of the general fund--state appropriation for fiscal year 2010, $34,000 of the general fund--state appropriation for fiscal year 2011, and $29,000 of the general fund--federal appropriation are provided solely for the implementation of chapter 465, Laws of 2007 (child welfare).

(8) $125,000 of the general fund--state appropriation for fiscal year 2010 and $118,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for continuum of care services. $100,000 of this amount is for Casey family partners and $25,000 of this amount is for volunteers of America crosswalk in fiscal year 2010. $95,000 of this amount is for Casey family partners and $23,000 of this amount is for volunteers of America crosswalk in fiscal year 2011.

(9) $1,904,000 of the general fund--state appropriation for fiscal year 2010, $1,441,000 of the general fund--state appropriation for fiscal year 2011, and $335,000 of the general fund--federal appropriation are provided solely to contract with medical professionals for comprehensive safety assessments of high-risk families and for foster care assessments. The safety assessments will use validated assessment tools to guide intervention decisions through the identification of additional safety and risk factors. The department will maintain the availability of comprehensive foster care assessments and follow up services for children in out-of-home care who do not have permanent plans, comprehensive safety assessments for families receiving in-home child protective services or family voluntary services, and comprehensive safety assessments for families with an infant age birth to fifteen days where the infant was, at birth, diagnosed as substance exposed and the department received an intake referral related to the infant due to the substance exposure. The department must consolidate contracts, streamline administration, and explore efficiencies to achieve savings.

(10) $7,679,000 of the general fund--state appropriation for fiscal year 2010, $6,226,000 of the general fund--state appropriation for fiscal year 2011, and $4,658,000 of the general fund--federal appropriation are provided solely for court-ordered supervised visits between parents and dependent children and for sibling visits. The department shall work collaboratively with the juvenile dependency courts and revise the supervised visit reimbursement procedures to stay within appropriations without impeding reunification outcomes between parents and dependent children. The department shall report to the legislative fiscal committees on September 30, 2010, and December 30, 2010, the number of children in foster care who receive supervised visits, their frequency, length of time of each visit, and whether reunification is attained.

(11) $145,000 of the general fund--state appropriation for fiscal year 2010, $817,000 of the general fund--state appropriation for fiscal year 2011, and $668,000 of the home security fund--state appropriation is provided solely for street youth program services.

(12) $1,522,000 of the general fund--state appropriation for fiscal year 2010, $1,256,000 of the general fund--state appropriation for fiscal year 2011, and $1,372,000 of the general fund--federal

appropriation are provided solely for the department to recruit foster parents. The recruitment efforts shall include collaborating with community-based organizations and current or former foster parents to recruit foster parents.

(13) $493,000 of the general fund--state appropriation for fiscal year 2010, $102,000 of the general fund--state appropriation for fiscal year 2011, $466,000 of the general fund--private/local appropriation, $182,000 of the general fund--federal appropriation, and $725,000 of the education legacy trust account--state appropriation are provided solely for children's administration to contract with an educational advocacy provider with expertise in foster care educational outreach. Funding is provided solely for contracted education coordinators to assist foster children in succeeding in K-12 and higher education systems. Funding shall be prioritized to regions with high numbers of foster care youth and/or regions where backlogs of youth that have formerly requested educational outreach services exist. The department shall utilize private matching funds to maintain educational advocacy services.

(14) $1,273,000 of the home security fund account--state appropriation is provided solely for HOPE beds.

(15) $4,234,000 of the home security fund account--state appropriation is provided solely for the crisis residential centers.

(16) The appropriations in this section reflect reductions in the appropriations for the children's administration administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(17) Within the amounts appropriated in this section, the department shall contract for a pilot project with family and community networks in Whatcom county and up to four additional counties to provide services. The pilot project shall be designed to provide a continuum of services that reduce out-of-home placements and the lengths of stay for children in out-of-home placement. The department and the community networks shall collaboratively select the additional counties for the pilot project and shall collaboratively design the contract. Within the framework of the pilot project, the contract shall seek to maximize federal funds. The pilot project in each county

shall include the creation of advisory and management teams which include members from neighborhood-based family advisory committees, residents, parents, youth, providers, and local and regional department staff. The Whatcom county team shall facilitate the development of outcome-based protocols and policies for the pilot project and develop a structure to oversee, monitor, and evaluate the results of the pilot projects. The department shall report the costs and savings of the pilot project to the appropriate committees of the legislature by November 1 of each year.

(18) $157,000 of the general fund--state appropriation for fiscal year 2010 and $78,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to contract with a nonprofit entity for a reunification pilot project in Whatcom and Skagit counties. The contract for the reunification pilot project shall include a rate of $46.16 per hour for evidence-based interventions, in combination with supervised visits, to provide 3,564 hours of services to reduce the length of stay for children in the child welfare system. The contract shall also include evidence-based intensive parenting skills building services and family support case management services for 38 families participating in the reunification pilot project. The contract shall include the flexibility for the nonprofit entity to subcontract with trained providers.

(19) $303,000 of the general fund--state appropriation for fiscal year 2010, $392,000 of the general fund--state appropriation for fiscal year 2011, and $241,000 of the general fund--federal appropriation are provided solely to implement Engrossed Substitute House Bill No. 1961 (increasing adoptions act). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(20) $98,000 of the general fund--state appropriation for fiscal year 2010 and $49,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to contract with an agency that is working in partnership with, and has been evaluated by, the University of Washington school of social work to implement promising practice constellation hub models of foster care support.

(21) The legislature intends for the department to reduce the time a child remains in the child welfare system. The department shall establish a measurable goal and report progress toward meeting that

goal to the legislature by January 15 of each fiscal year of the 2009-11 fiscal biennium. To the extent that actual caseloads exceed those assumed in this section, it is the intent of the legislature to address those issues in a manner similar to all other caseload programs.

(22) $715,000 of the general fund--state appropriation for fiscal year 2010 and $671,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for services provided through children's advocacy centers.

(23) $10,000 of the general fund--state appropriation for fiscal year 2011 and $3,000 of the general fund--federal appropriation are provided solely for implementation of chapter 224, Laws of 2010 (confinement alternatives). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

(24) $1,867,000 of the general fund--state appropriation for fiscal year 2010, $1,677,000 of the general fund--state appropriation for fiscal year 2011, and $4,379,000 of the general fund--federal appropriation are provided solely for the department to contract for medicaid treatment child care (MTCC) services. Children's administration case workers, local public health nurses and case workers from the temporary assistance for needy families program shall refer children to MTCC services, as long as the children meet the eligibility requirements as outlined in the Washington state plan for the MTCC services.

(25) The department shall contract for at least one pilot project with adolescent services providers to deliver a continuum of short-term crisis stabilization services. The pilot project shall include adolescent services provided through secure crisis residential centers, crisis residential centers, and hope beds. The department shall work with adolescent service providers to maintain availability of adolescent services and maintain the delivery of services in a geographically representative manner. The department shall examine current staffing requirements, flexible payment options, center-specific licensing waivers, and other appropriate methods to achieve savings and streamline the delivery of services. The legislature intends for the pilot project to provide flexibility to the department to improve outcomes and to achieve more efficient utilization of existing resources, while meeting the statutory goals of the adolescent

services programs. The department shall provide an update to the appropriate legislative committees and governor on the status of the pilot project implementation by December 1, 2010.

(26) To ensure expenditures remain within available funds appropriated in this section as required by RCW 74.13A.005 and 74.13A.020, the secretary shall not set the amount of any adoption assistance payment or payments, made pursuant to RCW 26.33.320 and 74.13A.005 through 74.13A.080, to more than ninety percent of the foster care maintenance payment for that child had he or she remained in a foster family home during the same period. This subsection does not apply to adoption assistance agreements in existence on the effective date of this section.

(27) Receipts from fees per chapter 289, Laws of 2010, as deposited into the prostitution prevention and intervention account for services provided to sexually exploited children as defined in RCW 13.32A.030 in secure and semi-secure crisis residential centers with access to staff trained to meet their specific needs shall be used to expand capacity for secure crisis residential centers and not supplant existing funding.

((~~(28) The appropriations in this section reflect reductions to the foster care maintenance payment rates during fiscal year 2011.~~))

Sec. 1103. 2011 c 5 s 202 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) $103,437,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$90,240,000~~))
$88,586,000
General Fund--Federal Appropriation . . . . . .((~~$1,715,000~~))
$1,734,000
General Fund--Private/Local Appropriation . . . . . ((~~$1,899,000~~))
$1,931,000
Washington Auto Theft Prevention Authority Account--
State Appropriation $3,896,000
Juvenile Accountability Incentive Account--Federal
Appropriation $2,805,000
State Efficiency and Restructuring Account--State

Appropriation $4,958,000

TOTAL APPROPRIATION . . . . . ((~~$208,950,000~~))
$207,347,000

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

(1) $353,000 of the general fund--state appropriation for fiscal year 2010 and $331,000 of the general fund--state appropriation for fiscal year 2011 are 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) $3,408,000 of the general fund--state appropriation for fiscal year 2010 and $2,716,000 of the general fund--state appropriation for fiscal year 2011 are 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) $3,716,000 of the general fund--state appropriation for fiscal year 2010 and $3,482,000 of the general fund--state appropriation for fiscal year 2011 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) $1,427,000 of the general fund--state appropriation for fiscal year 2010 and $1,130,000 of the general fund--state appropriation for fiscal year 2011 are 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) $3,066,000 of the general fund--state appropriation for fiscal year 2010 and $2,873,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for grants to county juvenile courts for the following programs identified by the Washington state institute for public policy (institute) in its October 2006 report: "Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs and Crime Rates": Functional family therapy, multi-systemic therapy, aggression replacement training and interagency coordination programs, or other programs with a positive benefit-cost finding in the institute's report. County juvenile courts shall apply to the juvenile rehabilitation administration for funding for program-specific participation and the administration shall provide grants to the courts consistent with the per-participant treatment costs identified by the institute.

(6) $1,287,000 of the general fund--state appropriation for fiscal year 2010 and $1,287,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for expansion of the following treatments and therapies in juvenile rehabilitation administration programs identified by the Washington state institute for public policy in its October 2006 report: "Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs and Crime Rates": Multidimensional treatment foster care, family integrated transitions, and aggression replacement training. The administration may concentrate delivery of these treatments and therapies at a limited number of programs to deliver the treatments in a cost-effective manner.

(7)(a) For the fiscal year ending June 30, 2011, the juvenile rehabilitation administration shall administer a block grant, rather than categorical funding, of consolidated juvenile service funds, community juvenile accountability act grants, the chemical dependency disposition alternative funds, the mental health disposition alternative, and the sentencing disposition alternative for the purpose of serving youth adjudicated in the juvenile justice system. In making the block grant, the juvenile rehabilitation administration shall follow the following formula and will prioritize evidence-based programs and disposition alternatives and take into account juvenile

courts program-eligible youth in conjunction with the number of youth served in each approved evidence-based program or disposition alternative: (i) Thirty-seven and one-half percent for the at-risk population of youth ten to seventeen years old; (ii) fifteen percent for moderate and high-risk youth; (iii) twenty-five percent for evidence-based program participation; (iv) seventeen and one-half percent for minority populations; (v) three percent for the chemical dependency disposition alternative; and (vi) two percent for the mental health and sentencing dispositional alternatives. Funding for the special sex offender disposition alternative (SSODA) shall not be included in the block grant, but allocated on the average daily population in juvenile courts. Funding for the evidence-based expansion grants shall be excluded from the block grant formula. Funds may be used for promising practices when approved by the juvenile rehabilitation administration and juvenile courts, through the community juvenile accountability act committee, based on the criteria established in consultation with Washington state institute for public policy and the juvenile courts.

(b) It is the intent of the legislature that the juvenile rehabilitation administration phase the implementation of the formula provided in subsection (1) of this section by including a stop-loss formula of three percent in fiscal year 2011, five percent in fiscal year 2012, and five percent in fiscal year 2013. It is further the intent of the legislature that the evidence-based expansion grants be incorporated into the block grant formula by fiscal year 2013 and SSODA remain separate unless changes would result in increasing the cost benefit savings to the state as identified in (c) of this subsection.

(c) The juvenile rehabilitation administration and the juvenile courts shall establish a block grant funding formula oversight committee with equal representation from the juvenile rehabilitation administration and the juvenile courts. The purpose of this committee is to assess the ongoing implementation of the block grant funding formula, utilizing data-driven decision making and the most current available information. The committee will be cochaired by the juvenile rehabilitation administration and the juvenile courts, who will also have the ability to change members of the committee as needed to achieve its purpose. Initial members will include one juvenile court representative from the finance committee, the community juvenile

accountability act committee, the risk assessment quality assurance committee, the executive board of the Washington association of juvenile court administrators, the Washington state center for court research, and a representative of the superior court judges association; two representatives from the juvenile rehabilitation administration headquarters program oversight staff, two representatives of the juvenile rehabilitation administration regional office staff, one representative of the juvenile rehabilitation administration fiscal staff and a juvenile rehabilitation administration division director. The committee may make changes to the formula categories other than the evidence-based program and disposition alternative categories if it is determined the changes will increase statewide service delivery or effectiveness of evidence-based program or disposition alternative resulting in increased cost benefit savings to the state. Long-term cost benefit must be considered. Percentage changes may occur in the evidence-based program or disposition alternative categories of the formula should it be determined the changes will increase evidence-based program or disposition alternative delivery and increase the cost benefit to the state. These outcomes will also be considered in determining when evidence-based expansion or special sex offender disposition alternative funds should be included in the block grant or left separate.

(d) The juvenile courts and administrative office of the courts shall be responsible for collecting and distributing information and providing access to the data systems to the juvenile rehabilitation administration and the Washington state institute for public policy related to program and outcome data. The juvenile rehabilitation administration and the juvenile courts will work collaboratively to develop program outcomes that reinforce the greatest cost benefit to the state in the implementation of evidence-based practices and disposition alternatives.

(e) By December 1, 2010, the Washington state institute for public policy shall report to the office of financial management and appropriate committees of the legislature on the administration of the block grant authorized in this subsection. The report shall include the criteria used for allocating the funding as a block grant and the

participation targets and actual participation in the programs subject to the block grant.

(8) $3,700,000 of the Washington auto theft prevention authority account--state appropriation is provided solely for competitive grants to community-based organizations to provide at-risk youth intervention services, including but not limited to, case management, employment services, educational services, and street outreach intervention programs. Projects funded should focus on preventing, intervening, and suppressing behavioral problems and violence while linking at-risk youth to pro-social activities. The department may not expend more than $1,850,000 per fiscal year. The costs of administration must not exceed four percent of appropriated funding for each grant recipient. Each entity receiving funds must report to the juvenile rehabilitation administration on the number and types of youth served, the services provided, and the impact of those services upon the youth and the community.

(9) The appropriations in this section assume savings associated with the transfer of youthful offenders age eighteen or older whose sentences extend beyond age twenty-one to the department of corrections to complete their sentences. Prior to transferring an offender to the department of corrections, the juvenile rehabilitation administration shall evaluate the offender to determine the offender's physical and emotional suitability for transfer.

Sec. 1104. 2011 c 5 s 203 (uncodified) is amended to read as follows:

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

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

General Fund--State Appropriation (FY 2010) $273,648,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$263,993,000~~))
<u>$271,260,000</u>

General Fund--Federal Appropriation . . . . . ((~~$520,024,000~~))
<u>$513,373,000</u>

General Fund--Private/Local Appropriation $16,951,000

Hospital Safety Net Assessment Fund--State
Appropriation $3,476,000

TOTAL APPROPRIATION . . . . . ((~~$1,078,092,000~~))

$1,078,708,000

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

(a) $113,689,000 of the general fund--state appropriation for fiscal year 2010 and $101,089,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for persons and services not covered by the medicaid program. This is a reduction of $11,606,000 each fiscal year from the nonmedicaid funding that was allocated for expenditure by regional support networks during fiscal year 2009 prior to supplemental budget reductions. This $11,606,000 reduction shall be distributed among regional support networks proportional to each network's share of the total state population. To the extent possible, levels of regional support network spending shall be maintained in the following priority order: (i) Crisis and commitment services; (ii) community inpatient services; and (iii) residential care services, including personal care and emergency housing assistance.

(b) $10,400,000 of the general fund--state appropriation for fiscal year 2010, $8,814,000 of the general fund--state appropriation for fiscal year 2011, and $1,300,000 of the general fund--federal appropriation are provided solely for the department and regional support networks to contract for implementation of high-intensity program for active community treatment (PACT) teams. The department shall work with regional support networks and the center for medicare and medicaid services to integrate eligible components of the PACT service delivery model into medicaid capitation rates no later than January 2011, while maintaining consistency with all essential elements of the PACT evidence-based practice model.

(c) $6,500,000 of the general fund--state appropriation for fiscal year 2010 and $6,091,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the western Washington regional support networks to provide either community- or hospital campus-based services for persons who require the level of care provided by the program for adaptive living skills (PALS) at western state hospital.

(d) The number of nonforensic beds allocated for use by regional support networks at eastern state hospital shall be 192 per day. The number of nonforensic beds allocated for use by regional support

networks at western state hospital shall be 617 per day during the first quarter of fiscal year 2010, 587 per day through the second quarter of fiscal year 2011, and 557 per day thereafter. Beds in the program for adaptive living skills (PALS) are not included in the preceding bed allocations. The department shall separately charge regional support networks for persons served in the PALS program.

(e) 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.

(f) $4,582,000 of the general fund--state appropriation for fiscal year 2010 and $4,582,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for mental health services for mentally ill offenders while confined in a county or city jail and for facilitating access to programs that offer mental health services upon release from confinement.

(g) The department is authorized to continue to contract directly, rather than through contracts with regional support networks, for children's long-term inpatient facility services.

(h) $750,000 of the general fund--state appropriation for fiscal year 2010 and $703,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to continue performance-based incentive contracts to provide appropriate community support services for individuals with severe mental illness who were discharged from the state hospitals as part of the expanding community services initiative. These funds will be used to enhance community residential and support services provided by regional support networks through other state and federal funding.

(i) $1,500,000 of the general fund--state appropriation for fiscal year 2010 and $1,500,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Spokane regional support network to implement services to reduce utilization and the census at eastern state hospital. Such services shall include:

(i) High intensity treatment team for persons who are high utilizers of psychiatric inpatient services, including those with co-occurring disorders and other special needs;

(ii) Crisis outreach and diversion services to stabilize in the community individuals in crisis who are at risk of requiring inpatient care or jail services;

(iii) Mental health services provided in nursing facilities to individuals with dementia, and consultation to facility staff treating those individuals; and

(iv) Services at the sixteen-bed evaluation and treatment facility.

At least annually, the Spokane regional support network shall assess the effectiveness of these services in reducing utilization at eastern state hospital, identify services that are not optimally effective, and modify those services to improve their effectiveness.

(j) The department shall return to the Spokane regional support network fifty percent of the amounts assessed against the network during the last six months of calendar year 2009 for state hospital utilization in excess of its contractual limit. The regional support network shall use these funds for operation during its initial months of a new sixteen-bed evaluation and treatment facility that will enable the network to reduce its use of the state hospital, and for diversion and community support services for persons with dementia who would likely otherwise require care at the state hospital.

(k) The department is directed to identify and implement program efficiencies and benefit changes in its delivery of medicaid managed-care services that are sufficient to operate within the state and federal appropriations in this section. Such actions may include but are not limited to methods such as adjusting the care access standards; improved utilization management of ongoing, recurring, and high-intensity services; and increased uniformity in provider payment rates. The department shall ensure that the capitation rate adjustments necessary to accomplish these efficiencies and changes are distributed uniformly and equitably across all regional support networks statewide. The department is directed to report to the relevant legislative fiscal and policy committees at least thirty days prior to implementing rate adjustments reflecting these changes.

(l) In developing the new medicaid managed care rates under which the public mental health managed care system will operate during the five years beginning in fiscal year 2011, the department should seek to estimate the reasonable and necessary cost of efficiently and effectively providing a comparable set of medically necessary mental

health benefits to persons of different acuity levels regardless of where in the state they live. Actual prior period spending in a regional administrative area shall not be a key determinant of future payment rates. The department shall report to the office of financial management and to the relevant fiscal and policy committees of the legislature on its proposed new waiver and mental health managed care rate-setting approach by October 1, 2009, and again at least sixty days prior to implementation of new capitation rates.

(m) In implementing the new public mental health managed care payment rates for fiscal year 2011, the department shall to the maximum extent possible within each regional support network's allowable rate range establish rates so that there is no increase or decrease in the total state and federal funding that the regional support network would receive if it were to continue to be paid at its October 2009 through June 2010 rates. The department shall additionally revise the draft rates issued January 28, 2010, to more accurately reflect the lower practitioner productivity inherent in the delivery of services in extremely rural regions in which a majority of the population reside in frontier counties, as defined and designated by the national center for frontier communities.

(n) $1,529,000 of the general fund--state appropriation for fiscal year 2010 and $1,529,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to reimburse Pierce and Spokane counties for the cost of conducting 180-day commitment hearings at the state psychiatric hospitals.

(o) The legislature intends and expects that regional support networks and contracted community mental health agencies shall make all possible efforts to, at a minimum, maintain current compensation levels of direct care staff. Such efforts shall include, but not be limited to, identifying local funding that can preserve client services and staff compensation, achieving administrative reductions at the regional support network level, and engaging stakeholders on cost-savings ideas that maintain client services and staff compensation. For purposes of this section, "direct care staff" means persons employed by community mental health agencies whose primary responsibility is providing direct treatment and support to people with mental illness, or whose primary responsibility is providing direct support to such staff in areas such

as client scheduling, client intake, client reception, client records-keeping, and facilities maintenance.

(p) Regional support networks may use local funds to earn additional federal medicaid match, provided the locally matched rate does not exceed the upper-bound of their federally allowable rate range, and provided that the enhanced funding is used only to provide medicaid state plan or waiver services to medicaid clients. Additionally, regional support networks may use a portion of the state funds allocated in accordance with (a) of this subsection to earn additional medicaid match, but only to the extent that the application of such funds to medicaid services does not diminish the level of crisis and commitment, community inpatient, residential care, and outpatient services presently available to persons not eligible for medicaid.

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2010) $119,423,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$112,514,000~~))
$111,365,000
General Fund--Federal Appropriation . . . . . ((~~$152,195,000~~))
$154,399,000
General Fund--Private/Local Appropriation . . . . . ((~~$63,873,000~~))
$64,789,000
TOTAL APPROPRIATION . . . . . ((~~$448,005,000~~))
$449,976,000

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

(a) The state psychiatric 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) $231,000 of the general fund--state appropriation for fiscal year 2008 and $216,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for a community partnership between western state hospital and the city of Lakewood to support community policing efforts in the Lakewood community surrounding western state hospital. The amounts provided in this subsection (2)(b) are for the salaries, benefits, supplies, and equipment for one full-time investigator, one full-time police officer, and one full-time community service officer at the city of Lakewood.

(c) $45,000 of the general fund--state appropriation for fiscal year 2010 and $42,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for payment to the city of Lakewood for police services provided by the city at western state hospital and adjacent areas.

(d) $187,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for support of the psychiatric security review panel established pursuant to Senate Bill No. 6610. If Senate Bill No. 6610 is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(3) SPECIAL PROJECTS

General Fund--State Appropriation (FY 2010) $1,819,000
General Fund--State Appropriation (FY 2011) $1,961,000
General Fund--Federal Appropriation . . . . . ((~~$2,142,000~~))
$2,538,000
TOTAL APPROPRIATION . . . . . ((~~$5,922,000~~))
$6,318,000

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

(a) $1,511,000 of the general fund--state appropriation for fiscal year 2010 and $1,416,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for children's evidence based mental health services. Funding is sufficient to continue serving children at the same levels as fiscal year 2009.

(b) $94,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for consultation, training, and technical assistance to regional support networks on strategies for effective service delivery in very sparsely populated counties.

(c) $56,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the department to contract with the Washington state institute for public policy for completion of the research reviews to be conducted in accordance with chapter 263, Laws of 2010.

(d) $56,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the department to contract with the Washington state institute for public policy for completion of the research reviews to be conducted in accordance with section 1, chapter 280, Laws of 2010.

(e) $56,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of sections 2 and 3, chapter 280, Laws of 2010. The department shall use these funds to contract with the Washington state institute for public policy for completion of an assessment of (i) the extent to which the number of persons involuntarily committed for 3, 14, and 90 days is likely to increase as a result of the revised commitment standards; (ii) the availability of community treatment capacity to accommodate that increase; (iii) strategies for cost-effectively leveraging state, local, and private resources to increase community involuntary treatment capacity; and (iv) the extent to which increases in involuntary commitments are likely to be offset by reduced utilization of correctional facilities, publicly-funded medical care, and state psychiatric hospitalizations.

(4) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2010) $4,078,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$3,722,000~~))
$4,002,000
General Fund--Federal Appropriation . . . . . ((~~$7,207,000~~))
$6,920,000
TOTAL APPROPRIATION . . . . . ((~~$15,007,000~~))
$15,000,000

The department is authorized and encouraged to continue its contract with the Washington state institute for public policy to provide a longitudinal analysis of long-term mental health outcomes as directed in chapter 334, Laws of 2001 (mental health performance audit); to build upon the evaluation of the impacts of chapter 214, Laws of 1999 (mentally ill offenders); and to assess program outcomes and cost effectiveness of the children's mental health pilot projects as required by chapter 372, Laws of 2006.

Sec. 1105. 2011 c 5 s 204 (uncodified) is amended to read as follows:

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

(1) COMMUNITY SERVICES

General Fund--State Appropriation (FY 2010) $307,348,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$321,752,000~~))

$329,639,000

General Fund--Federal Appropriation . . . . . ((~~$890,274,000~~))

$870,232,000

TOTAL APPROPRIATION . . . . . ((~~$1,519,374,000~~))

$1,507,219,000

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

(a) Individuals receiving services 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.

(b)(i) Amounts appropriated in this section reflect a reduction to funds appropriated for in-home care. The department shall reduce the number of in-home hours authorized. The reduction shall be scaled based on the acuity level of care recipients. The largest hour reductions shall be to lower acuity patients and the smallest hour reductions shall be to higher acuity patients. In doing so, the department shall comply with all maintenance of effort requirements contained in the American reinvestment and recovery act.

(ii) $508,000 of the general fund--state appropriation for fiscal year 2011 and $822,000 of the general fund--federal appropriation are provided solely for the department to partially restore the reductions to in-home care that are taken in (b)(i) of this subsection. The department will use the same formula to restore personal care hours that it used to reduce personal care hours.

(c) Amounts appropriated in this section are sufficient to develop and implement the use of a consistent, statewide outcome-based vendor contract for employment and day services by April 1, 2011. The rates paid to vendors under this contract shall also be made consistent. In its description of activities the agency shall include activity listings and dollars appropriated for: Employment services, day services, child development services and county administration of services to the developmentally disabled. The department shall begin reporting to the office of financial management on these activities beginning in fiscal year 2010.

(d) $302,000 of the general fund--state appropriation for fiscal year 2010, $831,000 of the general fund--state appropriation for fiscal year 2011, and $1,592,000 of the general fund--federal appropriation

are provided solely for health care benefits pursuant to a collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270.

(e)(i) $682,000 of the general fund--state appropriation for fiscal year 2010, $1,651,000 of the general fund--state appropriation for fiscal year 2011, and $1,678,000 of the general fund--federal appropriation are provided solely for the state's contribution to the training partnership, as provided in RCW 74.39A.360, pursuant to a collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270.

(ii) The federal portion of the amounts in this subsection (g) is contingent upon federal approval of participation in contributions to the trust and shall remain unallotted and placed in reserve status until the office of financial management and the department of social and health services receive federal approval.

(iii) Expenditures for the purposes specified in this subsection (g) shall not exceed the amounts provided in this subsection.

(f) Within the amounts appropriated in this subsection (1), the department shall implement all necessary rules to facilitate the transfer to a department home and community-based services (HCBS) waiver of all eligible individuals who (i) currently receive services under the existing state-only employment and day program or the existing state-only residential program, and (ii) otherwise meet the waiver eligibility requirements. The amounts appropriated are sufficient to ensure that all individuals currently receiving services under the state-only employment and day and state-only residential programs who are not transferred to a department HCBS waiver will continue to receive services.

(g) In addition to other reductions, the appropriations in this subsection reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(h) The department shall not pay a home care agency licensed under

chapter 70.127 RCW for personal care services provided by a family member, pursuant to Substitute House Bill No. 2361 (modifying state payments for in-home care).

(i) Within the appropriations of this section, the department shall reduce all seventeen payment levels of the seventeen-level payment system from the fiscal year 2009 levels for boarding homes, boarding homes contracted as assisted living, and adult family homes. Excluded from the reductions are exceptional care rate add-ons. The long-term care program may develop add-ons to pay exceptional care rates to adult family homes and boarding homes with specialty contracts to provide support for the following specifically eligible clients:

(i) Persons with AIDS or HIV-related diseases who might otherwise require nursing home or hospital care;

(ii) Persons with Alzheimer's disease and related dementia who might otherwise require nursing home care; and

(iii) Persons with co-occurring mental illness and long-term care needs who are eligible for expanded community services and who might otherwise require state and local psychiatric hospital care.

Within amounts appropriated, exceptional add-on rates for AIDS/HIV, dementia specialty care, and expanded community services may be standardized within each program.

(j) The amounts appropriated in this subsection reflect a reduction in funds available for employment and day services. In administering this reduction the department shall negotiate with counties and their vendors so that this reduction, to the greatest extent possible, is achieved by reducing vendor rates and allowable contract administrative charges (overhead) and not through reductions to direct client services or direct service delivery or programs.

(k) As part of the needs assessment instrument, the department may collect data on family income for minor children with developmental disabilities and all individuals who are receiving state-only funded services. The department may ensure that this information is collected as part of the client assessment process.

(l) $116,000 of the general fund--state appropriation for fiscal year 2010, $2,133,000 of the general fund--state appropriation for fiscal year 2011, and $1,772,000 of the general fund--federal appropriation are provided solely for employment services and required waiver 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.

(m) $81,000 of the general fund--state appropriation for fiscal year 2010, $599,000 of the general fund--state appropriation for fiscal year 2011, and $1,111,000 of the general fund--federal appropriation are provided solely for the department to provide employment and day services for eligible students who are currently on a waiver and will graduate from high school during fiscal years 2010 and 2011.

(n) The automatic award of additional hours of personal care for people with special meal preparation or incontinence needs is eliminated. Authorization of service hours will be based upon the individual's assessed needs.

(o) $75,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the restoration of direct support to local organizations that utilize parent-to-parent networks and communication to promote access and quality of care for individuals with developmental disabilities and their families.

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2010) $61,422,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$62,551,000~~))
<u>$66,554,000</u>
General Fund--Federal Appropriation . . . . . .((~~$205,440,000~~))
<u>$200,262,000</u>
General Fund--Private/Local Appropriation . . . . . ((~~$22,357,000~~))
<u>$22,657,000</u>
TOTAL APPROPRIATION . . . . . .((~~$351,770,000~~))
<u>$350,895,000</u>

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

(a) Individuals receiving services 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.

(b) The developmental disabilities program is authorized to use funds appropriated in this subsection to purchase goods and supplies

through direct contracting with vendors when the program determines it is cost-effective to do so.

(c) $721,000 of the general fund--state appropriation for fiscal year 2010 and $721,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to fulfill its contracts with the school districts under chapter 28A.190 RCW to provide transportation, building space, and other support services as are reasonably necessary to support the educational programs of students living in residential habilitation centers.

(d) In addition to other reductions, the appropriations in this subsection reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(3) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2010) $1,407,000
General Fund--State Appropriation (FY 2011) $1,341,000
General Fund--Federal Appropriation . . . . . ((~~$1,263,000~~))
$1,277,000
TOTAL APPROPRIATION . . . . . ((~~$4,011,000~~))
$4,025,000

The appropriations in this subsection are subject to the following conditions and limitations: In addition to other reductions, the appropriations in this subsection reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(4) SPECIAL PROJECTS

General Fund--Federal Appropriation . . . . . ((~~$10,171,000~~))
$10,157,000

The appropriation in this subsection is subject to the following conditions and limitations: The appropriations in this subsection are available solely for the infant toddler early intervention program and the money follows the person program as defined by this federal grant.

Sec. 1106. 2011 c 5 s 205 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) $616,837,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$606,962,000~~)) $647,131,000

General Fund--Federal Appropriation . . . . . .((~~$1,917,607,000~~)) $1,905,500,000

General Fund--Private/Local Appropriation $18,013,000

Traumatic Brain Injury Account--State Appropriation $4,136,000

TOTAL APPROPRIATION . . . . . .((~~$3,163,555,000~~)) $3,191,617,000

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

(1) For purposes of implementing chapter 74.46 RCW, the weighted average nursing facility payment rate shall not exceed $169.85 for fiscal year 2010 and shall not exceed $161.86 for fiscal year 2011, including the rate add-on described in subsection (12) of this section. There will be no adjustments for economic trends and conditions in fiscal years 2010 and 2011. The economic trends and conditions factor or factors defined in the biennial appropriations act shall not be compounded with the economic trends and conditions factor or factors defined in any other biennial appropriations acts before applying it to the component rate allocations established in accordance with chapter 74.46 RCW. When no economic trends and conditions factor for either fiscal year is defined in a biennial appropriations act, no economic trends and conditions factor or factors defined in any earlier biennial appropriations act shall be applied solely or compounded to the component rate allocations established in accordance with chapter 74.46 RCW.

(2) After examining actual nursing facility cost information, the legislature finds that the medicaid nursing facility rates calculated pursuant to Substitute House Bill No. 3202 or Substitute Senate Bill No. 6872 (nursing facility medicaid payments) provide sufficient reimbursement to efficient and economically operating nursing facilities and bears a reasonable relationship to costs.

(3) In accordance with chapter 74.46 RCW, the department shall issue no additional certificates of capital authorization for fiscal year 2010 and no new certificates of capital authorization for fiscal year 2011 and shall grant no rate add-ons to payment rates for capital improvements not requiring a certificate of need and a certificate of capital authorization for fiscal year 2011.

(4) The long-term care program may develop and pay enhanced rates for exceptional care to nursing homes for persons with traumatic brain injuries who are transitioning from hospital care. The cost per patient day for caring for these clients in a nursing home setting may be equal to or less than the cost of caring for these clients in a hospital setting.

(5) Within the appropriations of this section, the department shall reduce all seventeen payment levels of the seventeen-level payment system from the fiscal year 2009 levels for boarding homes, boarding homes contracted as assisted living, and adult family homes. Excluded from the reductions are exceptional care rate add-ons. The long-term care program may develop add-ons to pay exceptional care rates to adult family homes and boarding homes with specialty contracts to provide support for the following specifically eligible clients:

(a) Persons with AIDS or HIV-related diseases who might otherwise require nursing home or hospital care;

(b) Persons with Alzheimer's disease and related dementia who might otherwise require nursing home care; and

(c) Persons with co-occurring mental illness and long-term care needs who are eligible for expanded community services and who might otherwise require state and local psychiatric hospital care.

Within amounts appropriated, exceptional add-on rates for AIDS/HIV, dementia specialty care, and expanded community services may be standardized within each program.

(6)(a) Amounts appropriated in this section reflect a reduction to funds appropriated for in-home care. The department shall reduce the number of in-home hours authorized. The reduction shall be scaled based on the acuity level of care recipients. The largest hour reductions shall be to lower acuity patients and the smallest hour reductions shall be to higher acuity patients. In doing so, the department shall comply with all maintenance of effort requirements contained in the American reinvestment and recovery act.

(b) $3,070,000 of the general fund--state appropriation for fiscal year 2011 and $4,980,000 of the general fund--federal appropriation are provided solely for the department to partially restore the reduction to in-home care that are taken in (a) of this subsection. The department will use the same formula to restore personal care hours that it used to reduce personal care hours.

(7) $536,000 of the general fund--state appropriation for fiscal year 2010, $1,477,000 of the general fund--state appropriation for fiscal year 2011, and $2,830,000 of the general fund--federal appropriation are provided solely for health care benefits pursuant to a collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270.

(8)(a) $1,212,000 of the general fund--state appropriation for fiscal year 2010, $2,934,000 of the general fund--state appropriation for fiscal year 2011, and $2,982,000 of the general fund--federal appropriation are provided solely for the state's contribution to the training partnership, as provided in RCW 74.39A.360, pursuant to a collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270.

(b) $330,000 of the general fund--state appropriation for fiscal year 2010, $660,000 of the general fund-state appropriation for fiscal year 2011, and $810,000 of the general fund--federal appropriation are provided solely for transfer from the department to the training partnership, as provided in RCW 74.39A.360, for infrastructure and instructional costs associated with training of individual providers, pursuant to a collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270.

(c) The federal portion of the amounts in this subsection is contingent upon federal approval of participation in contributions to the trust and shall remain unallotted and placed in reserve status until the office of financial management and the department of social and health services receive federal approval.

(d) Expenditures for the purposes specified in this subsection shall not exceed the amounts provided in this subsection.

(9) Within the amounts appropriated in this section, the department may expand the new freedom waiver program to accommodate new waiver recipients throughout the state. As possible, and in compliance with current state and federal laws, the department shall allow current waiver recipients to transfer to the new freedom waiver.

(10) Individuals receiving services 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.

(11) $3,955,000 of the general fund--state appropriation for fiscal year 2010, $3,972,000 of the general fund--state appropriation for fiscal year 2011, and $10,190,000 of the general fund--federal appropriation are provided solely for the continued operation of community residential and support services for persons who are older adults or who have co-occurring medical and behavioral disorders and who have been discharged or diverted from a state psychiatric hospital. These funds shall be used to serve individuals whose treatment needs constitute substantial barriers to community placement, who no longer require active psychiatric treatment at an inpatient hospital level of care, and who no longer meet the criteria for inpatient involuntary commitment. Coordination of these services will be done in partnership between the mental health program and the aging and disability services administration.

(12) Within the funds provided, the department shall continue to provide an add-on per medicaid resident day per facility not to exceed $1.57. The add-on shall be used to increase wages, benefits, and/or staffing levels for certified nurse aides; or to increase wages and/or benefits for dietary aides, housekeepers, laundry aides, or any other category of worker whose statewide average dollars-per-hour wage was less than $15 in calendar year 2008, according to cost report data. The add-on may also be used to address resulting wage compression for related job classes immediately affected by wage increases to low-wage workers. The department shall continue reporting requirements and a settlement process to ensure that the funds are spent according to this subsection. The department shall adopt rules to implement the terms of this subsection.

(13) $1,840,000 of the general fund--state appropriation for fiscal year 2010 and $1,759,000 of the general fund--state appropriation for

fiscal year 2011 are provided solely for operation of the volunteer services program. Funding shall be prioritized towards serving populations traditionally served by long-term care services to include senior citizens and persons with disabilities.

(14) 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.

(15) 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.

(16) The department shall contract for housing with service models, such as cluster care, to create efficiencies in service delivery and responsiveness to unscheduled personal care needs by clustering hours for clients that live in close proximity to each other.

(17) The department shall not pay a home care agency licensed under chapter 70.127 RCW for personal care services provided by a family member, pursuant to Substitute House Bill No. 2361 (modifying state payments for in-home care).

(18) $209,000 of the general fund--state appropriation for fiscal year 2010, $732,000 of the general fund--state appropriation for fiscal year 2011, and $1,293,000 of the general fund--federal appropriation

are provided solely to implement Engrossed House Bill No. 2194 (extraordinary medical placement for offenders). The department shall work in partnership with the department of corrections to identify services and find placements for offenders who are released through the extraordinary medical placement program. The department shall collaborate with the department of corrections to identify and track cost savings to the department of corrections, including medical cost savings and to identify and track expenditures incurred by the aging and disability services program for community services and by the medical assistance program for medical expenses. A joint report regarding the identified savings and expenditures shall be provided to the office of financial management and the appropriate fiscal committees of the legislature by November 30, 2010. If this bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(19) In accordance with RCW 18.51.050, 18.20.050, and 43.135.055, the department is authorized to increase nursing facility and boarding home fees in fiscal year 2011 as necessary to meet the actual costs of conducting the licensure, inspection, and regulatory programs.

(a) $1,035,000 of the general fund--private/local appropriation assumes that the current annual renewal license fee for nursing facilities shall be increased to $327 per bed beginning in fiscal year 2011.

(b) $1,806,000 of the general fund--local appropriation assumes that the current annual renewal license fee for boarding homes shall be increased to $106 per bed beginning in fiscal year 2011.

(20) $2,566,000 of the traumatic brain injury account--state appropriation is provided solely to continue services for persons with traumatic brain injury (TBI) as defined in RCW 74.31.020 through 74.31.050. The TBI advisory council shall provide a report to the legislature by December 1, 2010, on the effectiveness of the functions overseen by the council and shall provide recommendations on the development of critical services for individuals with traumatic brain injury.

(21) The automatic award of additional hours of personal care for people with special meal preparation or incontinence needs is eliminated. Authorization of service hours will be based upon the individual's assessed needs.

(22) For calendar year 2009, the department shall calculate split settlements covering two periods January 1, 2009, through June 30, 2009, and July 1, 2009, through December 31, 2009. For the second period beginning July 1, 2009, the department may partially or totally waive settlements only in specific cases where a nursing home can demonstrate significant decreases in costs from the first period.

(23) $72,000 of the traumatic brain injury account appropriation and $116,000 of the general fund--federal appropriation are provided solely for a direct care rate add-on to any nursing facility specializing in the care of residents with traumatic brain injuries where more than 50 percent of residents are classified with this condition based upon the federal minimum data set assessment.

(24) $69,000 of the general fund--state appropriation for fiscal year 2010, $1,289,000 of the general fund--state appropriation for fiscal year 2011, and $2,050,000 of the general fund--federal appropriation are provided solely for the department to maintain enrollment in the adult day health services program. New enrollments are authorized for up to 1,575 clients or to the extent that appropriated funds are available to cover additional clients.

(25) $937,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the department to contract for the provision of an individual provider referral registry.

(26) $94,000 of the general fund--state appropriation for fiscal year 2011 and $100,000 of the general fund--federal appropriation are provided solely for the department to contract with a consultant to evaluate and make recommendations on a pay-for- performance payment subsidy system. The department shall organize one workgroup meeting with the consultant where nursing home stakeholders may provide input on pay-for-performance ideas. The consultant shall review pay-for-performance strategies used in other states to sustain and enhance quality-improvement efforts in nursing facilities. The evaluation shall include a review of the centers for medicare and medicaid services demonstration project to explore the feasibility of pay-for-performance systems in medicare certified nursing facilities. The consultant shall develop a report to include:

(a) Best practices used in other states for pay-for-performance strategies incorporated into medicaid nursing home payment systems;

(b) The relevance of existing research to Washington state;

(c) A summary and review of suggestions for pay-for-performance strategies provided by nursing home stakeholders in Washington state; and

(d) An evaluation of the effectiveness of a variety of performance measures.

(27) $4,100,000 of the general fund--state appropriation for fiscal year 2010, $4,174,000 of the general fund--state appropriation for fiscal year 2011, and $8,124,000 of the general fund--federal appropriation are provided for the operation of the management services division of the aging and disability services administration. This includes but is not limited to the budget, contracts, accounting, decision support, information technology, and rate development activities for programs administered by the aging and disability services administration. Nothing in this subsection is intended to exempt the management services division of the aging and disability services administration from reductions directed by the secretary. However, funds provided in this subsection shall not be transferred elsewhere within the department nor used for any other purpose.

(28) The department is authorized to place long-term care clients residing in nursing homes and paid for with state only funds into less restrictive community care settings while continuing to meet the client's care needs.

(29) In accordance with RCW 43.135.055, the department is authorized to adopt and increase the fees set forth in and previously authorized in section 206(19), chapter 37, Laws of 2010 1st sp.s.

Sec. 1107. 2011 c 5 s 206 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) $564,242,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$540,549,000~~))
<u>$576,683,000</u>

General Fund--Federal Appropriation . . . . . .((~~$1,219,423,000~~))
<u>$1,277,146,000</u>

General Fund--Private/Local Appropriation $37,816,000

Administrative Contingency Account--State
Appropriation $24,336,000

TOTAL APPROPRIATION . . . . . ((~~$2,386,366,000~~)) $2,480,223,000

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

(1) $303,393,000 of the general fund--state appropriation for fiscal year 2010, ((~~$285,057,000~~)) $295,699,000 of the general fund--state appropriation for fiscal year 2011 net of child support pass-through recoveries, $24,336,000 of the administrative contingency account--state appropriation, and ((~~$778,606,000~~)) $848,646,000 of the general fund--federal appropriation are provided solely for all components of the WorkFirst program. The department shall use moneys from the administrative contingency account for WorkFirst job placement services provided by the employment security department. Within the amounts provided for the WorkFirst program, the department may provide assistance using state-only funds for families eligible for temporary assistance for needy families. In addition, within the amounts provided for WorkFirst the department shall:

(a) ((~~Establish a career services work transition program;~~

~~(b)~~)) 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;

((~~(c)~~)) (b) Submit a report electronically by October 1, 2009, to the fiscal committees of the legislature containing a spending plan for the WorkFirst program. The plan shall identify how spending levels in the 2009-2011 biennium will be adjusted to stay within available federal grant levels and the appropriated state-fund levels;

((~~(d)~~)) (c) Provide quarterly fiscal reports to the office of financial management and the legislative fiscal committees detailing information on the amount expended from general fund--state and general fund--federal by activity.

(2) The department may establish a career services work transition program.

(3) The department and the office of financial management shall electronically report quarterly the expenditures, maintenance of effort allotments, expenditure amounts, and caseloads for the WorkFirst program to the legislative fiscal committees.

((~~(3)~~)) (4) $16,783,000 of the general fund--state appropriation for fiscal year 2011 and ((~~$62,000,000~~)) $19,027,000 of the general fund--federal appropriation are provided solely for all components of the WorkFirst program in order to maintain services to January 2011. The legislature intends to work with the governor to design and implement fiscal and programmatic modifications to provide for the sustainability of the program. The funding in this subsection assumes that no other expenditure reductions will be made prior to January 2011 other than those assumed in the appropriation levels in this act.

((~~(4)~~)) (5) $94,322,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$76,979,000~~)) $94,104,000 of the general fund--state appropriation for fiscal year 2011, net of recoveries, are provided solely for cash assistance and other services to recipients in the cash program pursuant to chapter 8, Laws of 2010 1st sp. sess. (security lifeline act), including persons in the unemployable, expedited, and aged, blind, and disabled components of the program. It is the intent of the legislature that the lifeline incapacity determination and progressive evaluation process regulations be carefully designed to accurately identify those persons who have been or will be incapacitated for at least ninety days. The incapacity determination and progressive evaluation process regulations in effect on January 1, 2010, cannot be amended until at least September 30, 2010; except that provisions related to the use of administrative review teams may be amended, and obsolete terminology and functional assessment language may be updated on or after July 1, 2010, in a manner that only minimally impacts the outcome of incapacity evaluations. After September 30, 2010, the incapacity determination and progressive evaluation process regulations may be amended only if the reports under (a) and (b) of this subsection have been submitted, and find that expenditures will exceed the appropriated level by three percent or more.

(a) The department and the caseload forecast council shall, by September 21, 2010, submit a report to the legislature based upon the most recent caseload forecast and actual expenditure data available, as

to whether expenditures for the lifeline-unemployable grants in fiscal year 2011 will exceed $69,648,000 for fiscal year 2011 in the 2010 supplemental operating budget by three percent or more. If expenditures will exceed the appropriated amount for lifeline-unemployable grants by three percent or more, the department may adopt regulations modifying incapacity determination and progressive evaluation process regulations after September 30, 2010.

(b) On or before September 21, 2010, the department shall submit a report to the relevant policy and fiscal committees of the legislature that includes the following information regarding any regulations proposed for adoption that would modify the lifeline incapacity determination and progressive evaluation process:

(i) A copy of the proposed changes and a concise description of the changes;

(ii) A description of the persons who would likely be affected by adoption of the regulations, including their impairments, age, education, and work history;

(iii) An estimate of the number of persons who, on a monthly basis through June 2013, would be denied lifeline benefits if the regulations were adopted, expressed as a number, as a percentage of total applicants, and as a percentage of the number of persons granted lifeline benefits in each month;

(iv) An estimate of the number of persons who, on a monthly basis through June 2013, would have their lifeline benefits terminated following an eligibility review if the regulations were adopted, expressed as a number, as a percentage of the number of persons who have had an eligibility review in each month, and as a percentage of the total number of persons currently receiving lifeline-unemployable benefits in each month; and

(v) Intended improvements in employment or treatment outcomes among persons receiving lifeline benefits that could be attributable to the changes in the regulations.

(c) Within these amounts:

(i) The department shall aggressively pursue opportunities to transfer lifeline clients to general assistance expedited coverage and to facilitate client applications for federal supplemental security income when the client's incapacities indicate that he or she would be likely to meet the federal disability criteria for supplemental

security income. The department shall initiate and file the federal supplemental security income interim agreement as quickly as possible in order to maximize the recovery of federal funds;

(ii) The department shall review the lifeline 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;

(iii) The department shall actively coordinate with local workforce development councils to expedite access to worker retraining programs for lifeline clients in those regions of the state with the greatest number of such clients;

(iv) By July 1, 2009, the department shall enter into an interagency agreement with the department of veterans' affairs to establish a process for referral of veterans who may be eligible for veteran's services. This agreement must include outstationing department of veterans' affairs staff in selected community service office locations in King and Pierce counties to facilitate applications for veterans' services; and

(v) In addition to any earlier evaluation that may have been conducted, the department shall intensively evaluate those clients who have been receiving lifeline benefits for twelve months or more as of July 1, 2009, or thereafter, if the available medical and incapacity related evidence indicates that the client is unlikely to meet the disability standard for federal supplemental security income benefits. The evaluation shall identify services necessary to eliminate or minimize barriers to employment, including mental health treatment, substance abuse treatment and vocational rehabilitation services. The department shall expedite referrals to chemical dependency treatment, mental health and vocational rehabilitation services for these clients.

(vi) The appropriations in this subsection reflect a change in the earned income disregard policy for lifeline clients. It is the intent of the legislature that the department shall adopt the temporary assistance for needy families earned income policy for the lifeline program.

((~~(5)~~)) (6) $750,000 of the general fund--state appropriation for fiscal year 2010 and $500,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for naturalization services.

((~~(6)~~)) (7) $3,550,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for refugee employment services, of which $2,650,000 is provided solely for the department to pass through to statewide refugee assistance organizations for limited English proficiency pathway services; and $2,050,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for refugee employment services, of which $1,540,000 is provided solely for the department to pass through to statewide refugee assistance organizations for limited English proficiency pathway services.

((~~(7)~~)) (8) The appropriations in this section reflect reductions in the appropriations for the economic services administration's administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or program.

((~~(8)~~)) (9) $855,000 of the general fund--state appropriation for fiscal year 2011, $719,000 of the general fund--federal appropriation, and $2,907,000 of the general fund--private/local appropriation are provided solely for the implementation of the opportunity portal, the food stamp employment and training program, and the disability lifeline program under Second Substitute House Bill No. 2782 (security lifeline act). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

((~~(9)~~)) (10) $100,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the department to award grants to small mutual assistance or small community-based organizations that contract with the department for immigrant and refugee assistance services. The funds shall be awarded to provide funding for community groups to provide transitional assistance, language skills, and other resources to improve refugees' economic self-sufficiency through the effective use of social services, financial services, and medical assistance.

((~~(10)~~)) (11) To ensure expenditures remain within available funds appropriated in this section, the legislature establishes the benefit under the state food assistance program, made pursuant to RCW 74.08A.120, to be fifty percent of the federal supplemental nutrition assistance program benefit amount.

Sec. 1108. 2011 c 5 s 207 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) $81,982,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$77,065,000~~))
$77,818,000
General Fund--Federal Appropriation . . . . . .((~~$151,574,000~~))
$152,619,000
General Fund--Private/Local Appropriation $2,718,000
Criminal Justice Treatment Account--State
Appropriation $17,743,000
Problem Gambling Account--State Appropriation $1,456,000
TOTAL APPROPRIATION . . . . . .((~~$332,538,000~~))
$334,336,000

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

(1) Within the amounts appropriated in this section, the department may contract with the University of Washington and community-based providers for the provision of the parent-child assistance program. For all contractors, indirect charges for administering the program shall not exceed ten percent of the total contract amount.

(2) Within the amounts appropriated in this section, the department shall continue to provide for chemical dependency treatment services for adult medicaid eligible and general assistance-unemployable patients.

(3) In addition to other reductions, the appropriations in this section reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(4) Funding is provided for the implementation of the lifeline program under Second Substitute House Bill No. 2782 (security lifeline act). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(5) $3,500,000 of the general fund--federal appropriation (from the

substance abuse prevention and treatment federal block grant) is provided solely for the continued funding of existing county drug and alcohol use prevention programs.

Sec. 1109. 2011 c 5 s 208 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) $1,697,203,000
General Fund--State Appropriation (FY 2011) . . . . ((~~$1,737,303,000~~))
$1,815,466,000
General Fund--Federal Appropriation . . . . . .((~~$6,047,405,000~~))
$5,901,250,000
General Fund--Private/Local Appropriation . . . . . ((~~$38,509,000~~))
$37,247,000
Emergency Medical Services and Trauma Care Systems
Trust Account--State Appropriation $15,075,000
Tobacco Prevention and Control Account--
State Appropriation . . . . . ((~~$4,464,000~~))
$3,798,000
Hospital Safety Net Assessment Fund--State
Appropriation . . . . . ((~~$260,057,000~~))
$254,974,000
TOTAL APPROPRIATION . . . . . .((~~$9,800,016,000~~))
$9,725,013,000

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

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

(2) 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.

(3) 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.

(4) 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.

(5) 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. The supplemental payments are subject to retrospective interim and final cost settlements based on the nursing homes' as-filed and final medicare cost reports. The timing of the interim and final cost settlements shall be at the department's discretion. During either the interim cost settlement or the final cost settlement, the department shall recoup from the public hospital districts the supplemental payments that exceed the medicaid cost limit and/or the medicare upper payment limit. The department shall apply federal rules for identifying the eligible incurred medicaid costs and the medicare upper payment limit.

(6) $649,000 of the general fund--federal appropriation and $644,000 of the general fund--state appropriation for fiscal year 2011 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.

(7) $5,729,000 of the general fund--state appropriation for fiscal year 2011, and $5,776,000 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.

(8) The department shall continue the inpatient hospital certified public expenditures program for the 2009-11 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. The department shall submit reports to the governor and legislature by November 1, 2009, and by November 1, 2010, that evaluate whether savings continue to exceed costs for this program. If the certified public expenditures (CPE) program in its current form is no longer cost-effective to maintain, the department shall submit a report to the governor and legislature detailing cost-effective alternative uses of local, state, and federal resources as a replacement for this program. During fiscal year 2010 and fiscal year 2011, hospitals in the program shall be paid and shall retain one hundred percent of the federal portion of the allowable hospital cost for each medicaid inpatient fee-for-service claim payable by medical assistance and one hundred percent of the federal portion of the maximum disproportionate share hospital payment allowable under federal regulations. Inpatient medicaid payments shall be established using an allowable methodology that approximates the cost of claims submitted by the hospitals. Payments made to each hospital in the program in each fiscal year of the biennium shall be compared to a baseline amount. The baseline amount will be determined by the total of (a) the inpatient claim payment amounts that would have been paid during the fiscal year had the hospital not been in the CPE program based on the reimbursement rates developed, implemented, and consistent with policies approved in the 2009-11 biennial operating appropriations act (chapter 564, Laws of 2009) and in effect on July 1, 2009, (b) one half of the indigent assistance disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005, and (c) all of the other disproportionate share hospital payment

amounts paid to and retained by each hospital during fiscal year 2005 to the extent the same disproportionate share hospital programs exist in the 2009-11 biennium. If payments during the fiscal year exceed the hospital's baseline amount, no additional payments will be made to the hospital except the federal portion of allowable disproportionate share hospital payments for which the hospital can certify allowable match. If payments during the fiscal year are less than the baseline amount, the hospital will be paid a state grant equal to the difference between payments during the fiscal year and the applicable baseline amount. Payment of the state grant shall be made in the applicable fiscal year and distributed in monthly payments. The grants will be recalculated and redistributed as the baseline is updated during the fiscal year. The grant payments are subject to an interim settlement within eleven months after the end of the fiscal year. A final settlement shall be performed. To the extent that either settlement determines that a hospital has received funds in excess of what it would have received as described in this subsection, the hospital must repay the excess amounts to the state when requested. $20,403,000 of the general fund--state appropriation for fiscal year 2010, of which $6,570,000 is appropriated in section ((~~204(1)~~)) 1104(1) of this act, and ((~~$29,480,000~~)) $15,113,000 of the general fund--state appropriation for fiscal year 2011, of which $6,570,000 is appropriated in section ((~~204(1)~~)) 1104(1) of this act, are provided solely for state grants for the participating hospitals. CPE hospitals will receive the inpatient and outpatient reimbursement rate restorations in section 9 and rate increases in section 10(1)(b) of Engrossed Second Substitute House Bill No. 2956 (hospital safety net assessment) funded through the hospital safety net assessment fund rather than through the baseline mechanism specified in this subsection.

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

(10) $93,000 of the general fund--state appropriation for fiscal year 2010 and $93,000 of the general fund--federal appropriation are provided solely for the department to pursue a federal Medicaid waiver pursuant to Second Substitute Senate Bill No. 5945 (Washington health partnership plan). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(11) The department shall require managed health care systems that have contracts with the department to serve medical assistance clients to limit any reimbursements or payments the systems make to providers not employed by or under contract with the systems to no more than the medical assistance rates paid by the department to providers for comparable services rendered to clients in the fee-for-service delivery system.

(12) A maximum of ((~~$241,141,000~~)) $247,809,000 in total funds from the general fund--state, general fund--federal, and tobacco and prevention control account--state appropriations may be expended in the fiscal biennium for the medical program pursuant to chapter 8, Laws of 2010 1st sp. sess. (security lifeline act), and these amounts are provided solely for this program. Of these amounts, $10,749,000 of the general fund--state appropriation for fiscal year 2010 and $10,892,000 of the general fund--federal appropriation are provided solely for payments to hospitals for providing outpatient services to low income patients who are recipients of lifeline benefits. Pursuant to RCW 74.09.035, the department shall not expend for the lifeline medical care services program any amounts in excess of the amounts provided in this subsection.

(13) Mental health services shall be included in the services provided through the managed care system for lifeline clients under chapter 8, Laws of 2010 1st sp. sess. In transitioning lifeline clients to managed care, the department shall attempt to deliver care to lifeline clients through medical homes in community and migrant health centers. The department, in collaboration with the carrier, shall seek to improve the transition rate of lifeline clients to the federal supplemental security income program. The department shall renegotiate the contract with the managed care plan that provides services for lifeline clients to maximize state retention of future hospital savings as a result of improved care coordination. The department, in collaboration with stakeholders, shall propose a new name for the lifeline program.

(14) The department shall evaluate the impact of the use of a managed care delivery and financing system on state costs and outcomes for lifeline medical clients. Outcomes measured shall include state costs, utilization, changes in mental health status and symptoms, and involvement in the criminal justice system.

(15) The department shall report to the governor and the fiscal committees of the legislature by June 1, 2010, on its progress toward achieving a twenty percentage point increase in the generic prescription drug utilization rate.

(16) State funds shall not be used by hospitals for advertising purposes.

(17) $24,356,000 of the general fund--private/local appropriation and $35,707,000 of the general fund--federal appropriation are provided solely for the implementation of professional services supplemental payment programs. The department shall seek a medicaid state plan amendment to create a professional services supplemental payment program for University of Washington medicine professional providers no later than July 1, 2009. The department shall apply federal rules for identifying the shortfall between current fee-for-service medicaid payments to participating providers and the applicable federal upper payment limit. Participating providers shall be solely responsible for providing the local funds required to obtain federal matching funds. Any incremental costs incurred by the department in the development, implementation, and maintenance of this program will be the responsibility of the participating providers. Participating providers will retain the full amount of supplemental payments provided under this program, net of any potential costs for any related audits or litigation brought against the state. The department shall report to the governor and the legislative fiscal committees on the prospects for expansion of the program to other qualifying providers as soon as feasibility is determined but no later than December 31, 2009. The report will outline estimated impacts on the participating providers, the procedures necessary to comply with federal guidelines, and the administrative resource requirements necessary to implement the program. The department will create a process for expansion of the program to other qualifying providers as soon as it is determined feasible by both the department and providers but no later than June 30, 2010.

(18) $9,075,000 of the general fund--state appropriation for fiscal year 2010, $8,588,000 of the general fund--state appropriation for fiscal year 2011, and $39,747,000 of the general fund--federal appropriation are provided solely for development and implementation of

a replacement system for the existing medicaid management information system. The amounts provided in this subsection are conditioned on the department satisfying the requirements of section 902 of this act.

(19) $506,000 of the general fund--state appropriation for fiscal year 2011 and $657,000 of the general fund--federal appropriation are provided solely for the implementation of Second Substitute House Bill No. 1373 (children's mental health). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(20) Pursuant to 42 U.S.C. Sec. 1396(a)(25), the department shall pursue insurance claims on behalf of medicaid children served through its in-home medically intensive child program under WAC 388-551-3000. The department shall report to the Legislature by December 31, 2009, on the results of its efforts to recover such claims.

(21) The department may, on a case-by-case basis and in the best interests of the child, set payment rates for medically intensive home care services to promote access to home care as an alternative to hospitalization. Expenditures related to these increased payments shall not exceed the amount the department would otherwise pay for hospitalization for the child receiving medically intensive home care services.

(22) $425,000 of the general fund--state appropriation for fiscal year 2010 and $790,000 of the general fund--federal appropriation are provided solely to continue children's health coverage outreach and education efforts under RCW 74.09.470. These efforts shall rely on existing relationships and systems developed with local public health agencies, health care providers, public schools, the women, infants, and children program, the early childhood education and assistance program, child care providers, newborn visiting nurses, and other community-based organizations. The department shall seek public-private partnerships and federal funds that are or may become available to provide on-going support for outreach and education efforts under the federal children's health insurance program reauthorization act of 2009.

(23) The department, in conjunction with the office of financial management, shall implement a prorated inpatient payment policy.

(24) The department will pursue a competitive procurement process for antihemophilic products, emphasizing evidence-based medicine and

protection of patient access without significant disruption in treatment.

(25) The department will pursue several strategies towards reducing pharmacy expenditures including but not limited to increasing generic prescription drug utilization by 20 percentage points and promoting increased utilization of the existing mail-order pharmacy program.

(26) The department shall reduce reimbursement for over-the-counter medications while maintaining reimbursement for those over-the-counter medications that can replace more costly prescription medications.

(27) The department shall seek public-private partnerships and federal funds that are or may become available to implement health information technology projects under the federal American recovery and reinvestment act of 2009.

(28) The department shall target funding for maternity support services towards pregnant women with factors that lead to higher rates of poor birth outcomes, including hypertension, a preterm or low birth weight birth in the most recent previous birth, a cognitive deficit or developmental disability, substance abuse, severe mental illness, unhealthy weight or failure to gain weight, tobacco use, or African American or Native American race. The department shall prioritize evidence-based practices for delivery of maternity support services. To the extent practicable, the department shall develop a mechanism to increase federal funding for maternity support services by leveraging local public funding for those services.

(29) $260,036,000 of the hospital safety net assessment fund--state appropriation and $255,448,000 of the general fund--federal appropriation are provided solely for the implementation of Engrossed Second Substitute House Bill No. 2956 (hospital safety net assessment). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

(30) $79,000 of the general fund--state appropriation for fiscal year 2010 and $53,000 of the general fund--federal appropriation are provided solely to implement Substitute House Bill No. 1845 (medical support obligations).

(31) $63,000 of the general fund--state appropriation for fiscal year 2010, $583,000 of the general fund--state appropriation for fiscal year 2011, and $864,000 of the general fund--federal appropriation are provided solely to implement Engrossed House Bill No. 2194

(extraordinary medical placement for offenders). The department shall work in partnership with the department of corrections to identify services and find placements for offenders who are released through the extraordinary medical placement program. The department shall collaborate with the department of corrections to identify and track cost savings to the department of corrections, including medical cost savings, and to identify and track expenditures incurred by the aging and disability services program for community services and by the medical assistance program for medical expenses. A joint report regarding the identified savings and expenditures shall be provided to the office of financial management and the appropriate fiscal committees of the legislature by November 30, 2010. If this bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(32) $73,000 of the general fund--state appropriation for fiscal year 2011 and $50,000 of the general fund--federal appropriation is provided solely for supplemental services that will be provided to offenders in lieu of a prison sentence pursuant to chapter 224, Laws of 2010 (Substitute Senate Bill No. 6639).

(33) Sufficient amounts are provided in this section to provide full benefit dual eligible beneficiaries with medicare part D prescription drug copayment coverage in accordance with RCW 74.09.520 until December 31, 2010.

(34) In addition to other reductions, the appropriations in this section reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect providers, direct client services, or direct service delivery or programs.

(35) $331,000 of the general fund--state appropriation for fiscal year 2010, $331,000 of the general fund--state appropriation for fiscal year 2011, and $1,228,000 of the general fund--federal appropriation are provided solely for the department to support the activities of the Washington poison center. The department shall seek federal authority to receive matching funds from the federal government through the children's health insurance program.

(36) $528,000 of the general fund--state appropriation and

$2,955,000 of the general fund--federal appropriation are provided solely for the implementation of the lifeline program under chapter 8, Laws of 2010 1st sp. sess. (security lifeline act).

(37) Reductions in dental services are to be achieved by focusing on the fastest growing areas of dental care. Reductions in preventative care, particularly for children, will be avoided to the extent possible.

(38) $1,307,000 of the general fund--state appropriation for fiscal year 2011 and $1,770,000 of the general fund--federal appropriation are provided solely to continue to provide dental services in calendar year 2011 for qualifying adults with developmental disabilities. Services shall include preventive, routine, and emergent dental care, and support for continued operation of the dental education in care of persons with disabilities (DECOD) program at the University of Washington.

(39) The department shall develop the capability to implement apple health for kids express lane eligibility enrollments for children receiving basic food assistance by June 30, 2011.

(40)(a) The department, in coordination with the health care authority, shall actively continue to negotiate a medicaid section 1115 waiver with the federal centers for medicare and medicaid services that would provide federal matching funds for services provided to persons enrolled in the basic health plan under chapter 70.47 RCW and the medical care services program under RCW 74.09.035.

(b) If the waiver in (a) of this subsection is granted, the department and the health care authority may implement the waiver if it allows the program to remain within appropriated levels, after providing notice of its terms and conditions to the relevant policy and fiscal committees of the legislature in writing thirty days prior to the planned implementation date of the waiver.

(41) $704,000 of the general fund--state appropriation for fiscal year 2010, $812,000 of the general fund--state appropriation for fiscal year 2011, and $1,516,000 of the general fund--federal appropriation are provided solely for maintaining employer-sponsored insurance program staff, coordination of benefits unit staff, the payment integrity audit team, and family planning nursing.

(42) Every effort shall be made to maintain current employment levels and achieve administrative savings through vacancies and

employee attrition. Efficiencies shall be implemented as soon as possible in order to minimize actual reduction in force. The department shall implement a management strategy that minimizes disruption of service and negative impacts on employees.

(43) $1,199,000 of the general fund--private/local appropriation for fiscal year 2011 and $1,671,000 of the general fund--federal appropriation are provided solely to support medical airlift services.

(44) $5,000,000 of the general fund--state appropriation for fiscal year 2011 and $7,191,000 of the general fund--federal appropriation are provided solely for payments to federally qualified health clinics and rural health centers under a new alternative payment methodology that ((~~the department shall develop in consultation with the legislature and the office of financial management~~)) reimburses the clinics and centers at rates that are five percent higher than the rates that would be provided under the federal prospective payment system.

(45) $33,000 of the general fund--state appropriation for fiscal year 2011 and $61,000 of the general fund--federal appropriation are provided solely to continue operation by a nonprofit organization of a toll-free line that assists families to learn about and enroll in apple health for kids, which provides publicly funded medical and dental care for families with incomes below 300 percent of the federal poverty level.

(46) $150,000 of the general fund--state appropriation for fiscal year 2011 and $150,000 of the general fund--federal appropriation are provided solely for initiation of a prescriptive practices improvement collaborative focusing upon atypical antipsychotics and other medications commonly used in the treatment of severe and persistent mental illnesses among adults. The project shall promote collaboration among community mental health centers, other major prescribers of atypical antipsychotic medications to adults enrolled in state medical assistance programs, and psychiatrists, pharmacists, and other specialists at the University of Washington department of psychiatry and/or other research universities. The collaboration shall include patient-specific prescriber consultations by psychiatrists and pharmacists specializing in treatment of severe and persistent mental illnesses among adults; production of profiles to assist prescribers and clinics track their prescriptive practices and their patients' medication use and adherence relative to evidence-based practice

guidelines, other prescribers, and patients at other clinics; and in-service seminars at which participants can share and increase their knowledge of evidence-based and other effective prescriptive practices.

(47) $75,000 of the general fund--state appropriation for fiscal year 2011 and $75,000 of the general fund--federal appropriation are provided solely to assist with development and implementation of evidence-based strategies regarding the appropriate, safe, and effective role of C-section surgeries and early induced labor in births and neonatal care. The strategies shall be identified and implemented in consultation with clinical research specialists, physicians, hospitals, advanced registered nurse practitioners, and organizations concerned with maternal and child health.

Sec. 1110. 2011 c 5 s 209 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) $10,327,000
General Fund--State Appropriation (FY 2011) . . . . . .((~~$9,443,000~~))
$9,438,000
General Fund--Federal Appropriation $107,848,000
Telecommunications Devices for the Hearing and
Speech Impaired--State Appropriation $6,056,000
TOTAL APPROPRIATION . . . . . .((~~$133,674,000~~))
$133,669,000

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

(1) The vocational rehabilitation program shall coordinate closely with the economic services program to serve lifeline clients under chapter 8, Laws of 2010 1st sp. sess. who are referred for eligibility determination and vocational rehabilitation services, and shall make every effort, within the requirements of the federal rehabilitation act of 1973, to serve these clients.

(2) $80,000 of the telecommunications devices for the hearing and speech impaired account--state appropriation is provided solely for the office of deaf and hard of hearing to enter into an interagency agreement with the department of services for the blind to support

contracts for services that provide employment support and help with life activities for deaf-blind individuals in King county.

Sec. 1111. 2011 c 5 s 210 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--SPECIAL COMMITMENT PROGRAM

General Fund--State Appropriation (FY 2010) $48,827,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$48,536,000~~))
$49,131,000
TOTAL APPROPRIATION . . . . . ((~~$97,363,000~~))
$97,958,000

Sec. 1112. 2011 c 5 s 211 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) $33,579,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$27,745,000~~))
$25,308,000
General Fund--Federal Appropriation . . . . . ((~~$51,304,000~~))
$49,594,000
General Fund--Private/Local Appropriation $1,121,000
Institutional Impact Account--State Appropriation $22,000
TOTAL APPROPRIATION . . . . . .((~~$113,771,000~~))
$109,624,000

The appropriations in this section are subject to the following conditions and limitations: In addition to other reductions, the appropriations in this section reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(1) $333,000 of the general fund--state appropriation for fiscal year 2010 and $300,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington state mentors program to continue its public-private partnerships to provide

technical assistance and training to mentoring programs that serve at-risk youth.

(2) $445,000 of the general fund--state appropriation for fiscal year 2010 and $445,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for funding of the teamchild project through the governor's juvenile justice advisory committee.

(3) $178,000 of the general fund--state appropriation for fiscal year 2010 and $178,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the juvenile detention alternatives initiative.

(4) Amounts appropriated in this section reflect a reduction to the family policy council. The family policy council shall reevaluate staffing levels and administrative costs to ensure to the extent possible a maximum ratio of grant moneys provided and administrative costs.

(5) Amounts appropriated in this section reflect a reduction to the council on children and families. The council on children and families shall reevaluate staffing levels and administrative costs to ensure to the extent possible a maximum ratio of grant moneys provided and administrative costs.

Sec. 1113. 2011 c 5 s 212 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) $61,985,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$63,793,000~~))
<u>$65,210,000</u>
General Fund--Federal Appropriation . . . . . ((~~$56,855,000~~))
<u>$56,321,000</u>
TOTAL APPROPRIATION . . . . . .((~~$182,633,000~~))
<u>$183,516,000</u>

Sec. 1114. 2011 c 5 s 213 (uncodified) is amended to read as follows:

FOR THE STATE HEALTH CARE AUTHORITY

General Fund--State Appropriation (FY 2010) $208,258,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$108,749,000~~))

$111,221,000

General Fund--Federal Appropriation . . . . . ((~~$31,975,000~~))

$35,215,000

State Health Care Authority Administration Account--

State Appropriation $34,880,000

Medical Aid Account--State Appropriation $527,000

Basic Health Plan Stabilization Account--State

Appropriation $6,000,000

TOTAL APPROPRIATION . . . . . ((~~$390,389,000~~))

$396,101,000

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 eligible to participate in the basic health plan as subsidized enrollees 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 that are paid to deliver basic health plan services and that 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)(a) In order to maximize the funding appropriated for the basic health plan, the health care authority is directed to make modifications that will reduce the total number of subsidized enrollees to approximately 65,000 by January 1, 2010. In addition to the reduced enrollment, other modifications may include changes in enrollee premium obligations, changes in benefits, enrollee cost-sharing, and termination of the enrollment of individuals concurrently enrolled in a medical assistance program as provided in Substitute House Bill No. 2341.

(b) The health care authority shall coordinate with the department of social and health services to negotiate a medicaid section 1115 waiver with the federal centers for medicare and medicaid services that would provide matching funds for services provided to persons enrolled in the basic health plan under chapter 70.47 RCW.

(c) If the waiver in (b) of this subsection is granted, the health care authority may implement the waiver if it allows the program to remain within appropriated levels, after providing notice of its terms and conditions to the relevant policy and fiscal committees of the legislature in writing thirty days prior to the planned implementation date of the waiver.

(5) $250,000 of the general fund--state appropriation for fiscal year 2010 and $250,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of Substitute Senate Bill No. 5360 (community collaboratives). If the bill is not enacted by June 30, 2009, the amounts provided in this section shall lapse.

(6) The authority shall seek public-private partnerships and federal funds that are or may become available to implement health information technology projects under the federal American recovery and reinvestment act of 2009.

(7) $20,000 of the general fund--state appropriation for fiscal year 2010 and $63,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of chapter 220, Laws of 2010 (accountable care organizations).

(8) As soon as practicable after February 28, 2011, enrollment in the subsidized basic health plan shall be limited to only include persons who qualify as subsidized enrollees as defined in RCW 70.47.020 and who (a) qualify for services under 1115 medicaid demonstration project number 11-W-00254/10; or (b) are foster parents licensed under chapter 74.15 RCW.

(9) $1,500,000 of the general fund--federal appropriation is provided solely for planning and implementation of a health benefit exchange under the federal patient protection and affordable care act. Within the amounts provided in this subsection, funds used by the authority for information technology projects are conditioned on the authority satisfying the requirements of section 902, chapter 564, Laws of 2009.

Sec. 1115. 2011 c 5 s 214 (uncodified) is amended to read as follows:

FOR THE HUMAN RIGHTS COMMISSION

General Fund--State Appropriation (FY 2010) $2,638,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$2,353,000~~))
$2,350,000
General Fund--Federal Appropriation $1,584,000
TOTAL APPROPRIATION . . . . . ((~~$6,575,000~~))
$6,572,000

Sec. 1116. 2011 c 5 s 215 (uncodified) is amended to read as follows:

FOR THE CRIMINAL JUSTICE TRAINING COMMISSION

General Fund--State Appropriation (FY 2010) $17,273,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$16,721,000~~))
$16,803,000
General Fund--Federal Appropriation $143,000
General Fund--Private/Local Appropriation . . . . . ((~~$1,378,000~~))
$1,282,000
Death Investigations Account--State Appropriation $148,000

Municipal Criminal Justice Assistance Account--
State Appropriation $460,000
Washington Auto Theft Prevention Authority Account--
State Appropriation $6,432,000
TOTAL APPROPRIATION . . . . . ((~~$42,555,000~~))
<u>$42,541,000</u>

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

(1) $1,191,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the Washington association of sheriffs and police chiefs to continue to develop, maintain, and operate the jail booking and reporting system (JBRS) and the statewide automated victim information and notification system (SAVIN).

(2) $5,000,000 of the general fund--state appropriation for fiscal year 2010 and $5,000,000 of the general fund--state appropriation for fiscal year 2011, are provided to the Washington association of sheriffs and police chiefs solely to verify the address and residency of registered sex offenders and kidnapping offenders under RCW 9A.44.130. The Washington association of sheriffs and police chiefs shall:

(a) Enter into performance-based agreements with units of local government to ensure that registered offender address and residency are verified:

(i) For level I offenders, every twelve months;

(ii) For level II offenders, every six months; and

(iii) For level III offenders, every three months.

For the purposes of this subsection, unclassified offenders and kidnapping offenders shall be considered at risk level I unless in the opinion of the local jurisdiction a higher classification is in the interest of public safety.

(b) Collect performance data from all participating jurisdictions sufficient to evaluate the efficiency and effectiveness of the address and residency verification program; and

(c) Submit a report on the effectiveness of the address and residency verification program to the governor and the appropriate committees of the house of representatives and senate by December 31, each year.

The Washington association of sheriffs and police chiefs may retain up

to three percent of the amount provided in this subsection for the cost of administration. Any funds not disbursed for address and residency verification or retained for administration may be allocated to local prosecutors for the prosecution costs associated with failing-to-register offenses.

(3) $30,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the implementation of Second Substitute House Bill No. 2078 (persons with developmental disabilities in correctional facilities or jails). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(4) ((~~$171,000~~)) $75,000 of the general fund--local appropriation is provided solely to purchase ammunition for the basic law enforcement academy. Jurisdictions with one hundred or more full-time commissioned officers shall reimburse to the criminal justice training commission the costs of ammunition, based on the average cost of ammunition per cadet, for cadets that they enroll in the basic law enforcement academy.

(5) The criminal justice training commission may not run a basic law enforcement academy class of fewer than 30 students.

Sec. 1117. 2011 c 5 s 216 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LABOR AND INDUSTRIES

General Fund--State Appropriation (FY 2010) $24,975,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$18,120,000~~))
$17,876,000
General Fund--Federal Appropriation $11,316,000
Asbestos Account--State Appropriation $923,000
Electrical License Account--State Appropriation $36,977,000
Farm Labor Revolving Account--Private/Local Appropriation . . . $28,000
Worker and Community Right-to-Know Account--
State Appropriation $1,987,000
Public Works Administration Account--State
Appropriation $6,021,000
Manufactured Home Installation Training Account--
State Appropriation . . . . . ((~~$143,000~~))
$135,000
Accident Account--State Appropriation $250,509,000

Accident Account--Federal Appropriation $13,621,000
Medical Aid Account--State Appropriation $249,232,000
Medical Aid Account--Federal Appropriation $3,186,000
Plumbing Certificate Account--State Appropriation $1,704,000
Pressure Systems Safety Account--State Appropriation $4,144,000
TOTAL APPROPRIATION . . . . . ((~~$622,886,000~~))
$622,634,000

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

(1) Pursuant to RCW 43.135.055, the department is authorized to increase fees related to factory assembled structures, contractor registration, electricians, plumbers, asbestos removal, boilers, elevators, and manufactured home installers. These increases are necessary to support expenditures authorized in this section, consistent with chapters 43.22, 18.27, 19.28, and 18.106 RCW, RCW 49.26.130, and chapters 70.79, 70.87, and 43.22A RCW.

(2) $424,000 of the accident account--state appropriation and $76,000 of the medical aid account--state appropriation are provided solely for implementation of a community agricultural worker safety grant at the department of agriculture. The department shall enter into an interagency agreement with the department of agriculture to implement the grant.

(3) $4,850,000 of the medical aid account--state appropriation is provided solely to continue the program of safety and health as authorized by RCW 49.17.210 to be administered under rules adopted pursuant to chapter 34.05 RCW, provided that projects funded involve workplaces insured by the medical aid fund, and that priority is given to projects fostering accident prevention through cooperation between employers and employees or their representatives.

(4) $150,000 of the medical aid account--state appropriation is provided solely for the department to contract with one or more independent experts to evaluate and recommend improvements to the rating plan under chapter 51.18 RCW, including analyzing how risks are pooled, the effect of including worker premium contributions in adjustment calculations, incentives for accident and illness prevention, return-to-work practices, and other sound risk-management strategies that are consistent with recognized insurance principles.

(5) The department shall continue to conduct utilization reviews of physical and occupational therapy cases at the 24th visit. The department shall continue to report performance measures and targets for these reviews on the agency web site. The reports are due September 30th for the prior fiscal year and must include the amount spent and the estimated savings per fiscal year.

(6) The appropriations in this section reflect reductions in the appropriations for the department of labor and industries' administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the greatest extent possible, by reducing administrative costs only.

(7) $500,000 of the accident account--state appropriation is provided solely for the department to contract with one or more independent experts to oversee and assist the department's implementation of improvements to the rating plan under chapter 51.18 RCW, in collaboration with the department and with the department's work group of retrospective rating and workers' compensation stakeholders. The independent experts will validate the impact of recommended changes on retrospective rating participants and nonparticipants, confirm implementation technology changes, and provide other implementation assistance as determined by the department.

(8) $194,000 of the accident account--state appropriation and $192,000 of the medical aid account--state appropriation are provided solely for implementation of Senate Bill No. 5346 (health care administrative procedures).

(9) $131,000 of the accident account--state appropriation and $128,000 of the medical aid account--state appropriation are provided solely for implementation of Senate Bill No. 5613 (stop work orders).

(10) $68,000 of the accident account--state appropriation and $68,000 of the medical aid account--state appropriation are provided solely for implementation of Senate Bill No. 5688 (registered domestic partners).

(11) $320,000 of the accident account--state appropriation and $147,000 of the medical aid account--state appropriation are provided solely for implementation of Senate Bill No. 5873 (apprenticeship utilization).

(12) $73,000 of the general fund--state appropriation for fiscal year 2010, $66,000 of the general fund--state appropriation for fiscal

year 2011, $606,000 of the accident account--state appropriation, and $600,000 of the medical aid account--state appropriation are provided solely for the implementation of House Bill No. 1555 (underground economy).

(13) $574,000 of the accident account--state appropriation and $579,000 of the medical account--state appropriation are provided solely for the implementation of House Bill No. 1402 (industrial insurance appeals).

(14) Within statutory guidelines, the boiler program shall explore opportunities to increase program efficiency. Strategies may include the consolidation of routine multiple inspections to the same site and trip planning to ensure the least number of miles traveled.

(15) $16,000 of the general fund--state appropriation for fiscal year 2010 and $50,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the crime victims compensation program to pay claims for mental health services for crime victim compensation program clients who have an established relationship with a mental health provider and subsequently obtain coverage under the medicaid program or the medical care services program under chapter 74.09 RCW. Prior to making such payment, the program must have determined that payment for the specific treatment or provider is not available under the medicaid or medical care services program. In addition, the program shall make efforts to contact any healthy options or medical care services health plan in which the client may be enrolled to help the client obtain authorization to pay the claim on an out-of-network basis.

(16) $48,000 of the accident account--state appropriation and $48,000 of the medical aid account--state appropriation are provided solely for the implementation of Substitute House Bill No. 2789 (issuance of subpoenas for purposes of agency investigations of underground economic activity). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(17) $71,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of Senate Bill No. 6349 (farm internship program). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(18) $127,000 of the general fund--state appropriation for fiscal year 2010 and $133,000 of the general fund--state appropriation for

fiscal year 2011 are provided solely for the department to provide benefits in excess of the cap established by sections 1 and 2, chapter 122, Laws of 2010. These benefits shall be paid for claimants who were determined eligible for and who were receiving crime victims' compensation benefits because they were determined to be permanently and totally disabled, as defined by RCW 51.08.160, prior to April 1, 2010. The director shall establish, by May 1, 2010, a process to aid crime victims' compensation recipients in identifying and applying for appropriate alternative benefit programs.

(19) $155,000 of the public works administration account--state appropriation is provided solely for the implementation of Engrossed House Bill No. 2805 (offsite prefabricated items). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

Sec. 1118. 2011 c 5 s 217 (uncodified) is amended to read as follows:

FOR THE INDETERMINATE SENTENCE REVIEW BOARD

General Fund--State Appropriation (FY 2010) $1,882,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,659,000~~))
$1,657,000
TOTAL APPROPRIATION . . . . . ((~~$3,541,000~~))
$3,539,000

Sec. 1119. 2011 c 5 s 218 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF VETERANS AFFAIRS

(1) HEADQUARTERS

General Fund--State Appropriation (FY 2010) $1,913,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,865,000~~))
$1,755,000
Charitable, Educational, Penal, and Reformatory
Institutions Account--State Appropriation $10,000
TOTAL APPROPRIATION . . . . . ((~~$3,788,000~~))
$3,678,000

The appropriations in this subsection are subject to the following conditions and limitations: In addition to other reductions, the appropriations in this section reflect reductions targeted specifically

to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(2) FIELD SERVICES

General Fund--State Appropriation (FY 2010) $4,885,000
General Fund--State Appropriation (FY 2011) $4,964,000
General Fund--Federal Appropriation $2,382,000
General Fund--Private/Local Appropriation $4,512,000
Veterans Innovations Program Account--State
Appropriation $897,000
Veteran Estate Management Account--Private/Local
Appropriation $1,072,000
TOTAL APPROPRIATION $18,712,000

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

(a) The department shall collaborate with the department of social and health services to identify and assist eligible general assistance unemployable clients to access the federal department of veterans affairs benefits.

(b) $648,000 of the veterans innovations program account--state appropriation is provided solely for the department to continue support for returning combat veterans through the veterans innovation program, including emergency financial assistance through the defenders' fund and long-term financial assistance through the competitive grant program.

(c) In addition to other reductions, the appropriations in this section reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(3) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2010) $3,318,000
((~~General Fund--State Appropriation (FY 2011) . . . . . $1,793,000~~))
General Fund--Federal Appropriation . . . . . ((~~$50,931,000~~))
$52,965,000

General Fund--Private/Local Appropriation . . . . . ((~~$34,189,000~~))
$34,791,000
TOTAL APPROPRIATION . . . . . ((~~$90,231,000~~))
$91,074,000

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

(a) In addition to other reductions, the appropriations in this section reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(b) The reductions in this subsection shall be achieved through savings from contract revisions and shall not impact the availability of goods and services for residents of the three state veterans homes.

Sec. 1120. 2011 c 5 s 219 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF HEALTH

General Fund--State Appropriation (FY 2010) $98,414,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$72,427,000~~))
$72,269,000
General Fund--Federal Appropriation . . . . . .((~~$564,379,000~~))
$567,818,000
General Fund--Private/Local Appropriation $162,237,000
Hospital Data Collection Account--State Appropriation $218,000
Health Professions Account--State Appropriation $82,850,000
Aquatic Lands Enhancement Account--State Appropriation $603,000
Emergency Medical Services and Trauma Care Systems
Trust Account--State Appropriation $13,206,000
Safe Drinking Water Account--State Appropriation $2,731,000
Drinking Water Assistance Account--Federal
Appropriation $22,862,000
Waterworks Operator Certification--State
Appropriation $1,522,000
Drinking Water Assistance Administrative Account--
State Appropriation $326,000
State Toxics Control Account--State Appropriation $4,348,000

Medical Test Site Licensure Account--State
Appropriation $2,261,000
Youth Tobacco Prevention Account--State Appropriation . . . $1,512,000
Public Health Supplemental Account--Private/Local
Appropriation $3,804,000
Community and Economic Development Fee Account--State
Appropriation $298,000
Accident Account--State Appropriation $292,000
Medical Aid Account--State Appropriation $48,000
Tobacco Prevention and Control Account--State
Appropriation $41,196,000
Biotoxin Account--State Appropriation $1,163,000
TOTAL APPROPRIATION . . . . . ((~~$1,076,697,000~~))
$1,079,978,000

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

(1) 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 of health and the state board of health shall not implement any new or amended rules pertaining to primary and secondary school facilities until the rules and a final cost estimate have been presented to the legislature, and the legislature has formally funded implementation of the rules through the omnibus appropriations act or by statute. 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.

(2) In accordance with RCW 43.70.250 and 43.135.055, the department is authorized to establish and raise fees in fiscal year 2011 as necessary to meet the actual costs of conducting business and the appropriation levels in this section. This authorization applies to fees for the review of sewage tank designs, fees related to regulation and inspection of farmworker housing, and fees associated with the following professions: Acupuncture, dental, denturist, mental health counselor, nursing, nursing assistant, optometry, radiologic technologist, recreational therapy, respiratory therapy, social worker, cardiovascular invasive specialist, and practitioners authorized under chapter 18.240 RCW.

(3) Pursuant to RCW 43.135.055 and RCW 43.70.250, the department is authorized to establish fees by the amount necessary to fully support the cost of activities related to the administration of long-term care worker certification. The department is further authorized to increase fees by the amount necessary to implement the regulatory requirements of the following bills: House Bill No. 1414 (health care assistants), House Bill No. 1740 (dental residency licenses), and House Bill No. 1899 (retired active physician licenses).

(4) $764,000 of the health professions account--state appropriation is provided solely for the medical quality assurance commission to maintain disciplinary staff and associated costs sufficient to reduce the backlog of disciplinary cases and to continue to manage the disciplinary caseload of the commission.

(5) $57,000 of the general fund--state appropriation for fiscal year 2010 and $54,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the midwifery licensure and regulatory program to offset a reduction in revenue from fees. The department shall convene the midwifery advisory committee on a quarterly basis to address issues related to licensed midwifery. The appropriations in this section assume that the current application and renewal fee for midwives shall be increased by fifty dollars and all other fees for midwives be adjusted accordingly.

(6) Funding for the human papillomavirus vaccine shall not be included in the department's universal vaccine purchase program in fiscal year 2010. Remaining funds for the universal vaccine purchase program shall be used to continue the purchase of all other vaccines

included in the program until May 1, 2010, at which point state funding for the universal vaccine purchase program shall be discontinued.

(7) Beginning July 1, 2010, the department, in collaboration with the department of social and health services, shall maximize the use of existing federal funds, including section 317 of the federal public health services act direct assistance as well as federal funds that may become available under the American recovery and reinvestment act, in order to continue to provide immunizations for low-income, nonmedicaid eligible children up to three hundred percent of the federal poverty level in state-sponsored health programs.

(8) The department shall eliminate outreach activities for the health care directives registry and use the remaining amounts to maintain the contract for the registry and minimal staffing necessary to administer the basic entry functions for the registry.

(9) Funding in this section reflects a temporary reduction of resources for the 2009-11 fiscal biennium for the state board of health to conduct health impact reviews.

(10) Pursuant to RCW 43.135.055 and 43.70.125, the department is authorized to adopt rules to establish a fee schedule to apply to applicants for initial certification surveys of health care facilities for purposes of receiving federal health care program reimbursement. The fees shall only apply when the department has determined that federal funding is not sufficient to compensate the department for the cost of conducting initial certification surveys. The fees for initial certification surveys may be established as follows: Up to $1,815 for ambulatory surgery centers, up to $2,015 for critical access hospitals, up to $980 for end stage renal disease facilities, up to $2,285 for home health agencies, up to $2,285 for hospice agencies, up to $2,285 for hospitals, up to $520 for rehabilitation facilities, up to $690 for rural health clinics, and up to $7,000 for transplant hospitals.

(11) Funding for family planning grants for fiscal year 2011 is reduced in the expectation that federal funding shall become available to expand coverage of services for individuals through programs at the department of social and health services. In the event that such funding is not provided, the legislature intends to continue funding through a supplemental appropriation at fiscal year 2010 levels. $4,360,000 of the general fund--state appropriation is provided solely

for the department of health-funded family planning clinic grants due to federal funding not becoming available.

(12) $16,000,000 of the tobacco prevention and control account--state appropriation is provided solely for local health jurisdictions to conduct core public health functions as defined in RCW 43.70.514.

(13) $100,000 of the health professions account appropriation is provided solely for implementation of Substitute House Bill No. 1414 (health care assistants). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(14) $42,000 of the health professions account--state appropriation is provided solely to implement Substitute House Bill No. 1740 (dentistry license issuance). If the bill is not enacted by June 30, 2009, the amount provided in this section shall lapse.

(15) $23,000 of the health professions account--state appropriation is provided solely to implement Second Substitute House Bill No. 1899 (retired active physician licenses). If the bill is not enacted by June 30, 2009, the amount provided in this section shall lapse.

(16) $12,000 of the general fund--state appropriation for fiscal year 2010 and $67,000 of the general fund--private/local appropriation are provided solely to implement House Bill No. 1510 (birth certificates). If the bill is not enacted by June 30, 2009, the amount provided in this section shall lapse.

(17) $31,000 of the health professions account is provided for the implementation of Second Substitute Senate Bill No. 5850 (human trafficking). If the bill is not enacted by June 2009, the amount provided in this subsection shall lapse.

(18) $282,000 of the health professions account is provided for the implementation of Substitute Senate Bill No. 5752 (dentists cost recovery). If the bill is not enacted by June 2009, the amount provided in this subsection shall lapse.

(19) $106,000 of the health professions account is provided for the implementation of Substitute Senate Bill No. 5601 (speech language assistants). If the bill is not enacted by June 2009, the amount provided in this subsection shall lapse.

(20) Subject to existing resources, the department of health is encouraged to examine, in the ordinary course of business, current and

prospective programs, treatments, education, and awareness of cardiovascular disease that are needed for a thriving and healthy Washington.

(21) $390,000 of the health professions account--state appropriation is provided solely to implement chapter 169, Laws of 2010 (nursing assistants). The amount provided in this subsection is from fee revenue authorized by Engrossed Substitute Senate Bill No. 6582.

(22) $10,000 of the health professions account--state appropriation for fiscal year 2010 and $40,000 of the health professions account--state appropriation for fiscal year 2011 are provided solely for the department to study cost effective options for collecting demographic data related to the health care professions workforce to be submitted to the legislature by December 1, 2010.

(23) $66,000 of the health professions account--state appropriation is provided solely to implement chapter 209, Laws of 2010 (pain management).

(24) $10,000 of the health professions account--state appropriation is provided solely to implement chapter 92, Laws of 2010 (cardiovascular invasive specialists).

(25) $23,000 of the general fund--state appropriation is provided solely to implement chapter 182, Laws of 2010 (tracking ephedrine, etc.).

(26) The department is authorized to coordinate a tobacco cessation media campaign using all appropriate media with the purpose of maximizing the use of quit-line services and youth smoking prevention.

(27) It is the intent of the legislature that the reductions in appropriations to the AIDS/HIV programs shall be achieved, to the greatest extent possible, by reducing those state government administrative costs that do not affect direct client services or direct service delivery or programs. The agency shall, to the greatest extent possible, reduce spending in those areas that shall have the least impact on implementing these programs.

(28) $400,000 of the state toxics control account--state appropriation is provided solely for granting to a willing local public entity to provide emergency water supplies or water treatment for households with individuals at high public health risk from nitrate-contaminated wells in the lower Yakima basin.

(29) $100,000 of the state toxics control account--state appropriation is provided solely for an interagency contract to the department of ecology to grant to agencies involved in improving groundwater quality in the lower Yakima Valley. These agencies will develop a local plan for improving water quality and reducing nitrate contamination. The department of ecology will report to the appropriate committees of the legislature and to the office of financial management no later than December 1, 2010, summarizing progress towards developing and implementing this plan.

(30) In accordance with RCW 43.135.055, the department is authorized to adopt and increase all fees set forth in and previously authorized in section 221(2), chapter 37, Laws of 2010 1st sp.s.

NEW SECTION. **Sec. 1121.** A new section is added to 2009 c 564 (uncodified) to read as follows:

FOR THE DEPARTMENT OF CORRECTIONS

The appropriations to the department of corrections in this act shall be expended for the programs and in the amounts specified herein. However, after May 1, 2011, after approval by the director of financial management and unless specifically prohibited by this act, the department may transfer general fund--state appropriations for fiscal year 2011 between programs. The department shall not transfer funds, and the director of financial management shall not approve the transfer, unless the transfer is consistent with the objective of conserving, to the maximum extent possible, the expenditure of state funds and not federal funds. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing seven days prior to approving any deviations from appropriation levels. The written notification shall include a narrative explanation and justification of the changes, along with expenditures and allotments by budget unit and appropriation, both before and after any allotment modifications or transfers.

Sec. 1122. 2011 c 5 s 220 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF CORRECTIONS

(1) ADMINISTRATION AND SUPPORT SERVICES

General Fund--State Appropriation (FY 2010) $55,772,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$51,929,000~~))
$48,131,000
TOTAL APPROPRIATION . . . . . ((~~$107,701,000~~))
$103,903,000

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

(a) Within funds appropriated in this section, the department shall seek contracts for chemical dependency vendors to provide chemical dependency treatment of offenders in corrections facilities, including corrections centers and community supervision facilities, which have demonstrated effectiveness in treatment of offenders and are able to provide data to show a successful treatment rate.

(b) $35,000 of the general fund--state appropriation for fiscal year 2010 and $35,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the support of a statewide council on mentally ill offenders that includes as its members representatives of community-based mental health treatment programs, current or former judicial officers, and directors and commanders of city and county jails and state prison facilities. The council will investigate and promote cost-effective approaches to meeting the long-term needs of adults and juveniles with mental disorders who have a history of offending or who are at-risk of offending, including their mental health, physiological, housing, employment, and job training needs.

(2) CORRECTIONAL OPERATIONS

General Fund--State Appropriation (FY 2010) $458,503,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$562,084,000~~))
$568,568,000
General Fund--Federal Appropriation . . . . . ((~~$186,651,000~~))
$186,720,000
Washington Auto Theft Prevention Authority Account--
State Appropriation $5,936,000
State Efficiency and Restructuring Account--State
Appropriation $34,522,000
TOTAL APPROPRIATION . . . . . ((~~$1,247,696,000~~))
$1,254,249,000

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

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

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

(c) During the 2009-11 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.

(d) The Harborview medical center and 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 has negotiated with other community hospitals in Washington state.

(e) A political subdivision which is applying for funding to mitigate one-time impacts associated with construction or expansion of a correctional institution, consistent with WAC 137-12A-030, may apply for the mitigation funds in the fiscal biennium in which the impacts occur or in the immediately succeeding fiscal biennium.

(f) Within amounts provided in this subsection, the department, jointly with the department of social and health services, shall identify the number of offenders released through the extraordinary medical placement program, the cost savings to the department of corrections, including estimated medical cost savings, and the costs

for medical services in the community incurred by the department of social and health services. The department and the department of social and health services shall jointly report to the office of financial management and the appropriate fiscal committees of the legislature by November 30, 2010.

(g) $11,863,000 of the general fund--state appropriation for fiscal year 2010, $7,953,000 of the general fund--state appropriation for fiscal year 2011, and $2,336,000 of the general fund--private/local appropriation are provided solely for in-prison evidence-based programs and for the reception diagnostic center program as part of the offender re-entry initiative.

(h) The appropriations in this subsection are based on savings assumed from the closure of the McNeil Island corrections center, the Ahtanum View corrections center, and the Pine Lodge corrections center for women.

(3) COMMUNITY SUPERVISION

General Fund--State Appropriation (FY 2010) $150,729,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$134,840,000~~))
<u>$133,549,000</u>
TOTAL APPROPRIATION . . . . . ((~~$285,569,000~~))
<u>$284,278,000</u>

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) $2,083,000 of the general fund--state appropriation for fiscal year 2010 and $2,083,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement Senate Bill No. 5525 (state institutions/release). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(c) The appropriations in this subsection are based upon savings assumed from the implementation of Engrossed Substitute Senate Bill No. 5288 (supervision of offenders).

(d) $2,791,000 of the general fund--state appropriation for fiscal year 2010 and $2,680,000 of the general fund--state appropriation for

fiscal year 2011 are provided solely for evidence-based community programs and for community justice centers as part of the offender re-entry initiative.

(e) $418,300 of the general fund--state appropriation for fiscal year 2010 is provided solely for the purposes of settling all claims in *Hilda Solis*, *Secretary of Labor*, *United States Department of Labor v. State of Washington*, *Department of Corrections*, United States District Court, Western District of Washington, Cause No. C08-cv-05362-RJB. The expenditure of this amount is contingent on the release of all claims in the case, and total settlement costs shall not exceed the amount provided in this subsection. If settlement is not fully executed by June 30, 2010, the amount provided in this subsection shall lapse.

(f) $984,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for supplemental services that will be provided to offenders in lieu of a prison sentence, pursuant to chapter 224, Laws of 2010 (confinement alternatives).

(4) CORRECTIONAL INDUSTRIES

General Fund--State Appropriation (FY 2010) $2,574,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$2,441,000~~))
$2,642,000
TOTAL APPROPRIATION . . . . . ((~~$5,015,000~~))
$5,216,000

The appropriations in this subsection are subject to the following conditions and limitations: $132,000 of the general fund--state appropriation for fiscal year 2010 and $132,000 of the general fund--state appropriation for fiscal year 2011 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 2010) $40,728,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$38,629,000~~))
$38,995,000
TOTAL APPROPRIATION . . . . . ((~~$79,357,000~~))
$79,723,000

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

(a) The state prison institutions may use funds appropriated in this subsection to rent uniforms from correctional industries in accordance with existing legislative mandates.

(b) The state prison medical facilities may use funds appropriated in this subsection to purchase goods and supplies through hospital or other group purchasing organizations when it is cost effective to do so.

(6) Funding in this section may not be used to purchase radios or base station repeaters related to the movement to narrowband frequencies, or for reprogramming existing narrowband radios.

Sec. 1123. 2011 c 5 s 221 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SERVICES FOR THE BLIND

General Fund--State Appropriation (FY 2010) $2,504,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$2,160,000~~))
$2,158,000
General Fund--Federal Appropriation . . . . . ((~~$18,116,000~~))
$18,416,000
General Fund--Private/Local Appropriation $30,000
TOTAL APPROPRIATION . . . . . ((~~$22,810,000~~))
$23,108,000

Sec. 1124. 2011 c 5 s 222 (uncodified) is amended to read as follows:

FOR THE SENTENCING GUIDELINES COMMISSION

General Fund--State Appropriation (FY 2010) $962,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$844,000~~))
$843,000
TOTAL APPROPRIATION . . . . . ((~~$1,806,000~~))
$1,805,000

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

(1) Within the amounts appropriated in this section, the sentencing guidelines commission, in partnership with the courts, shall develop a plan to implement an evidence-based system of community custody for

adult felons that will include the consistent use of evidence-based risk and needs assessment tools, programs, supervision modalities, and monitoring of program integrity. The plan for the evidence-based system of community custody shall include provisions for identifying cost-effective rehabilitative programs; identifying offenders for whom such programs would be cost-effective; monitoring the system for cost-effectiveness; and reporting annually to the legislature. In developing the plan, the sentencing guidelines shall consult with: The Washington state institute for public policy; the legislature; the department of corrections; local governments; prosecutors; defense attorneys; victim advocate groups; law enforcement; the Washington federation of state employees; and other interested entities. The sentencing guidelines commission shall report its recommendations to the governor and the legislature by December 1, 2009.

(2)(a) Except as provided in subsection (b), during the 2009-11 biennium, the reports required by RCW 9.94A.480(2) and 9.94A.850(2) (d) and (h) shall be prepared within the available funds and may be delayed or suspended at the discretion of the commission.

(b) The commission shall submit the analysis described in section 15 of Engrossed Substitute Senate Bill No. 5288 no later than December 1, 2011.

(3) Within the amounts appropriated in this section, the sentencing guidelines commission shall survey the practices of other states relating to offenders who violate any conditions of their community custody. In conducting the survey, the sentencing guidelines commission shall perform a review of the research studies to determine if a mandatory minimum confinement policy is an evidence-based practice, investigate the implementation of such a policy in other states, and estimate the fiscal impacts of implementing such a policy in Washington state. The sentencing guidelines commission shall report its findings to the governor and the legislature by December 1, 2010.

Sec. 1125. 2011 c 5 s 223 (uncodified) is amended to read as follows:

FOR THE EMPLOYMENT SECURITY DEPARTMENT

General Fund--State Appropriation (FY 2010) $2,054,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$4,735,000~~))

<u>$4,719,000</u>

General Fund--Federal Appropriation . . . . . ((~~$324,135,000~~))
$327,109,000
General Fund--Private/Local Appropriation $33,640,000
Unemployment Compensation Administration Account--
Federal Appropriation . . . . . ((~~$348,000,000~~))
$370,397,000
Administrative Contingency Account--State Appropriation . . . $345,000
Employment Service Administrative Account--State
Appropriation $37,775,000
TOTAL APPROPRIATION . . . . . ((~~$750,684,000~~))
$776,039,000

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

(1) $59,829,000 of the unemployment compensation administration account--federal appropriation is provided from amounts made available to the state by section 903 (d) and (f) of the social security act (Reed act). This amount is authorized to continue current unemployment insurance functions and department services to employers and job seekers.

(2) $17,327,000 of the unemployment compensation administration account--federal appropriation is provided from amounts made available to the state by section 903(d) and (f) of the social security act (Reed act). This amount is authorized to fund the replacement of the unemployment insurance tax information system (TAXIS) for the employment security department. This section is subject to section 902 of this act. After the effective date of this section, the employment security department may not incur further obligations for the replacement of the unemployment insurance tax information system (TAXIS). Nothing in this act prohibits the department from meeting obligations incurred prior to the effective date of this section.

(3) $110,000 of the unemployment compensation administration account--federal appropriation is provided solely for implementation of Senate Bill No. 5804 (leaving part time work voluntarily).

(4) $1,263,000 of the unemployment compensation administration account--federal appropriation is provided solely for implementation of Senate Bill No. 5963 (unemployment insurance).

(5) $159,000 of the unemployment compensation account--federal

appropriation is provided solely for the implementation of House Bill No. 1555 (underground economy) from funds made available to the state by section 903(d) of the social security act (Reed act).

(6) $295,000 of the administrative contingency--state appropriation for fiscal year 2010 is provided solely for the implementation of House Bill No. 2227 (evergreen jobs act).

(7) $2,000,000 of the general fund--state appropriation for fiscal year 2010 and $4,682,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of Senate Bill No. 5809 (WorkForce employment and training).

(8) $444,000 of the unemployment compensation administration account--federal appropriation is provided solely for the implementation of Substitute Senate Bill No. 6524 (unemployment insurance penalties and contribution rates) from funds made available to the state by section 903 (d) or (f) of the social security act (Reed 12 act). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(9) $232,000 of the unemployment compensation administration account--federal appropriation from funds made available to the state by section 903(c) or (f) of the social security act (Reed act) is provided solely for the implementation of Substitute House Bill No. 2789 (underground economic activity). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(10) $577,000 of the unemployment compensation administration account--federal appropriation is from amounts available to the state by section 903 (d), (f), and (g) of the Social Security Act (Reed Act). This amount is provided solely for implementation of chapter 4, Laws of 2011 (unemployment insurance program).

(11) $11,000 of the unemployment compensation administration account--federal appropriation is from amounts available to the state by section 903 (d), (f), and (g) of the Social Security Act (Reed Act). This amount is provided solely for implementation of chapter 4, Laws of 2011 (unemployment insurance program).

(End of part)

PART XII
NATURAL RESOURCES

Sec. 1201. 2011 c 5 s 301 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2010) $58,552,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$46,925,000~~))
$46,392,000
General Fund--Federal Appropriation $82,079,000
General Fund--Private/Local Appropriation $16,688,000
Special Grass Seed Burning Research Account--State
Appropriation $14,000
Reclamation Account--State Appropriation . . . . . ((~~$3,649,000~~))
$3,640,000
Flood Control Assistance Account--State Appropriation . . . $1,943,000
State Emergency Water Projects Revolving Account--
State Appropriation $240,000
Waste Reduction/Recycling/Litter Control--State
Appropriation . . . . . ((~~$12,467,000~~))
$12,440,000
State Drought Preparedness Account--State
Appropriation $4,000,000
State and Local Improvements Revolving Account
(Water Supply Facilities)--State Appropriation $424,000
Freshwater Aquatic Algae Control Account--State
Appropriation $508,000
Water Rights Tracking System Account--State
Appropriation $116,000
Site Closure Account--State Appropriation $922,000
Wood Stove Education and Enforcement Account--State
Appropriation $582,000
Worker and Community Right-to-Know Account--State
Appropriation $1,663,000
State Toxics Control Account--State Appropriation . . ((~~$106,642,000~~))
$106,391,000
State Toxics Control Account--Private/Local

Appropriation $379,000

Local Toxics Control Account--State
Appropriation . . . . . ((~~$24,690,000~~))
$24,670,000

Water Quality Permit Account--State
Appropriation . . . . . ((~~$37,018,000~~))
$36,899,000

Underground Storage Tank Account--State
Appropriation . . . . . ((~~$3,270,000~~))
$3,259,000

Biosolids Permit Account--State Appropriation $1,866,000

Hazardous Waste Assistance Account--State
Appropriation . . . . . ((~~$5,880,000~~))
$5,858,000

Air Pollution Control Account--State Appropriation $1,565,000

Oil Spill Prevention Account--State
Appropriation . . . . . ((~~$10,599,000~~))
$10,568,000

Air Operating Permit Account--State
Appropriation . . . . . ((~~$2,758,000~~))
$2,748,000

Freshwater Aquatic Weeds Account--State Appropriation . . . $1,693,000

Oil Spill Response Account--State Appropriation $7,077,000

Metals Mining Account--State Appropriation $14,000

Water Pollution Control Revolving Account--State
Appropriation $535,000

Water Pollution Control Revolving Account--Federal
Appropriation $2,210,000

Water Rights Processing Account--State Appropriation $68,000

TOTAL APPROPRIATION . . . . . .((~~$437,036,000~~))
$436,003,000

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

(1) $170,000 of the oil spill prevention account--state appropriation is provided solely for 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.

(2) $240,000 of the woodstove education and enforcement account--state appropriation is provided solely for citizen outreach efforts to improve understanding of burn curtailments, the proper use of wood heating devices, and public awareness of the adverse health effects of woodsmoke pollution.

(3) $3,000,000 of the general fund--private/local appropriation is provided solely for contracted toxic-site cleanup actions at sites where multiple potentially liable parties agree to provide funding.

(4) $3,600,000 of the local toxics account--state appropriation is provided solely for the standby emergency rescue tug stationed at Neah Bay.

(5) $811,000 of the state toxics account--state appropriation is provided solely for oversight of toxic cleanup at facilities that treat, store, and dispose of hazardous wastes.

(6) $1,456,000 of the state toxics account--state appropriation is provided solely for toxic cleanup at sites where willing parties negotiate prepayment agreements with the department and provide necessary funding.

(7) $558,000 of the state toxics account--state appropriation and $3,000,000 of the local toxics account--state appropriation are provided solely for grants and technical assistance to Puget Sound-area local governments engaged in updating shoreline master programs.

(8) $950,000 of the state toxics control account--state appropriation is provided solely for measuring water and habitat quality to determine watershed health and assist salmon recovery, beginning in fiscal year 2011.

(9) RCW 70.105.280 authorizes the department to assess reasonable service charges against those facilities that store, treat, incinerate, or dispose of dangerous or extremely hazardous waste that involves both a nonradioactive hazardous component and a radioactive component. Service charges may not exceed the costs to the department in carrying out the duties in RCW 70.105.280. The current service charges do not meet the costs of the department to carry out its duties. Pursuant to RCW 43.135.055 and 70.105.280, the department is authorized to increase the service charges no greater than 18 percent for fiscal year 2010 and no greater than 15 percent for fiscal year 2011. Such service charges shall include all costs of public participation grants awarded to qualified entities by the department pursuant to RCW 70.105D.070(5) for

facilities at which such grants are recognized as a component of a community relations or public participation plan authorized or required as an element of a consent order, federal facility agreement or agreed order entered into or issued by the department pursuant to any federal or state law governing investigation and remediation of releases of hazardous substances. Public participation grants funded by such service charges shall be in addition to, and not in place of, any other grants made pursuant to RCW 70.105D.070(5). Costs for the public participation grants shall be billed individually to the mixed waste facility associated with the grant.

(10) The department is authorized to increase the following fees in the 2009-2011 biennium as necessary to meet the actual costs of conducting business and the appropriation levels in this section: Environmental lab accreditation, dam safety and inspection, biosolids permitting, air emissions new source review, and manufacturer registration and renewal.

(11) $63,000 of the state toxics control account--state appropriation is provided solely for implementation of Substitute Senate Bill No. 5797 (solid waste handling permits). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(12) $225,000 of the general fund--state appropriation for fiscal year 2010 and $181,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Second Substitute Bill No. 5560 (agency climate leadership). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(13) $150,000 of the general fund--state appropriation for fiscal year 2010 and $141,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for watershed planning implementation grants to continue ongoing efforts to develop and implement water agreements in the Nooksack Basin and the Bertrand watershed. These amounts are intended to support project administration; monitoring; negotiations in the Nooksack watershed between tribes, the department, and affected water users; continued implementation of a flow augmentation project; plan implementation in the Fishtrap watershed; and the development of a water bank.

(14) $215,000 of the general fund--state appropriation for fiscal year 2010 and $220,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to provide watershed planning implementation grants for WRIA 32 to implement Substitute House Bill No. 1580 (pilot local water management program). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(15) $200,000 of the general fund--state appropriation for fiscal year 2010 and $187,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the purpose of supporting the trust water rights program and processing trust water right transfer applications that improve instream flow.

(16)(a) The department shall convene a stock water working group that includes: Legislators, four members representing agricultural interests, three members representing environmental interests, the attorney general or designee, the director of the department of ecology or designee, the director of the department of agriculture or designee, and affected federally recognized tribes shall be invited to send participants.

(b) The group shall review issues surrounding the use of permit-exempt wells for stock-watering purposes and may develop recommendations for legislative action.

(c) The working group shall meet periodically and report its activities and recommendations to the governor and the appropriate legislative committees by December 1, 2009.

(17) $73,000 of the water quality permit account--state appropriation is provided solely to implement Substitute House Bill No. 1413 (water discharge fees). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(18) The department shall continue to work with the Columbia Snake River irrigators' association to determine how seasonal water operation and maintenance conservation can be utilized. In implementing this proviso, the department shall also consult with the Columbia River policy advisory group as appropriate.

(19) The department shall track any changes in costs, wages, and benefits that would have resulted if House Bill No. 1716 (public contract living wages), as introduced in the 2009 regular session of the legislature, were enacted and made applicable to contracts and

related subcontracts entered into, renewed, or extended during the 2009-11 biennium. The department shall submit a report to the house of representatives commerce and labor committee and the senate labor, commerce, and consumer protection committee by December 1, 2011. The report shall include data on any aggregate changes in wages and benefits that would have resulted during the 2009-11 biennium.

(20) Within amounts appropriated in this section the department shall develop recommendations by December 1, 2009, for a convenient and effective mercury-containing light recycling program for residents, small businesses, and small school districts throughout the state. The department shall consider options including but not limited to, a producer-funded program, a recycler-supported or recycle fee program, a consumer fee at the time of purchase, general fund appropriations, or a currently existing dedicated account. The department shall involve and consult with stakeholders including persons who represent retailers, waste haulers, recyclers, mercury-containing light manufacturers or wholesalers, cities, counties, environmental organizations and other interested parties. The department shall report its findings and recommendations for a recycling program for mercury-containing lights to the appropriate committees of the legislature by December 1, 2009.

(21) $140,000 of the freshwater aquatic algae control account--state appropriation is provided solely for grants to cities, counties, tribes, special purpose districts, and state agencies for capital and operational expenses used to manage and study excessive saltwater algae with an emphasis on the periodic accumulation of sea lettuce on Puget Sound beaches.

(22) By December 1, 2009, the department in consultation with local governments shall conduct a remedial action grant financing alternatives report. The report shall address options for financing the remedial action grants identified in the department's report, entitled "House Bill 1761, Model Toxics Control Accounts Ten-Year Financing Plan" and shall include but not be limited to the following: (a) Capitalizing cleanup costs using debt insurance; (b) capitalizing cleanup costs using prefunded cost-cap insurance; (c) other contractual instruments with local governments; and (d) an assessment of overall economic benefits of the remedial action grants funded using the instruments identified in this section.

(23) $220,000 of the site closure account--state appropriation is provided solely for litigation expenses associated with the lawsuit filed by energy solutions, inc., against the Northwest interstate compact on low-level radioactive waste management and its executive director.

(24) $68,000 of the water rights processing account--state appropriation is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 6267 (water rights processing). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(25) $10,000 of the state toxics control account--state appropriation is provided solely for implementation of Engrossed Substitute Senate Bill No. 5543 (mercury-containing lights). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(26) $300,000 of the state toxics control account--state appropriation is provided solely for piloting and evaluating two coordinated, multijurisdictional permitting teams for nontransportation projects.

(27)(a) $4,000,000 of the state drought preparedness account--state appropriation is provided solely for response to a drought declaration pursuant to chapter 43.83B RCW. If such a drought declaration occurs, the department of ecology may provide funding to public bodies as defined in RCW 43.83B.050 in connection with projects and measures designed to alleviate drought conditions that may affect public health and safety, drinking water supplies, agricultural activities, or fish and wildlife survival.

(b) Projects or measures for which funding will be provided must be connected with a water system, water source, or water body that is receiving, or has been projected to receive, less than seventy-five percent of normal water supply, as the result of natural drought conditions. This reduction in water supply must be such that it is causing, or will cause, undue hardship for the entities or fish or wildlife depending on the water supply. The department shall issue guidelines outlining grant program and matching fund requirements within ten days of a drought declaration.

(28) In accordance with RCW 43.135.055, the department is

authorized to increase the fees set forth in and previously authorized in section 302(10), chapter 564, Laws of 2009.

(29) In accordance with RCW 43.135.055, the department is authorized to adopt and increase the fees set forth in and previously authorized in sections 3, 5, 7, and 12, chapter 285, Laws of 2010.

Sec. 1202. 2011 c 5 s 302 (uncodified) is amended to read as follows:

FOR THE STATE PARKS AND RECREATION COMMISSION

General Fund--State Appropriation (FY 2010) $23,176,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$18,309,000~~))
<u>$18,275,000</u>
General Fund--Federal Appropriation $6,892,000
General Fund--Private/Local Appropriation $73,000
Winter Recreation Program Account--State Appropriation . . . $1,556,000
Off Road Vehicle Account--State Appropriation $239,000
Snowmobile Account--State Appropriation $4,842,000
Aquatic Lands Enhancement Account--State Appropriation $368,000
Recreation Resources Account--State Appropriation $9,469,000
NOVA Program Account--State Appropriation $9,164,000
Parks Renewal and Stewardship Account--State
Appropriation $72,975,000
Parks Renewal and Stewardship Account--Private/Local
Appropriation $300,000
TOTAL APPROPRIATION . . . . . ((~~$147,363,000~~))
<u>$147,329,000</u>

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

(1) $79,000 of the general fund--state appropriation for fiscal year 2010 and $74,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant for the operation of the Northwest avalanche center.

(2) Proceeds received from voluntary donations given by motor vehicle registration applicants shall be used solely for the operation and maintenance of state parks.

(3) With the passage of Substitute House Bill No. 2339 (state parks system donation), the legislature finds that it has provided sufficient funds to ensure that all state parks remain open during the 2009-11

biennium. The commission shall not close state parks unless the bill is not enacted by June 30, 2009, or revenue collections are insufficient to fund the ongoing operation of state parks. By January 10, 2010, the commission shall provide a report to the legislature on their budget and resources related to operating parks for the remainder of the biennium.

(4) The commission shall work with the department of general administration to evaluate the commission's existing leases with the intention of increasing net revenue to state parks. The commission shall provide to the office of financial management and the legislative fiscal committees no later than September 30, 2009, a list of leases the commission proposes be managed by the department of general administration.

Sec. 1203. 2011 c 5 s 303 (uncodified) is amended to read as follows:

FOR THE RECREATION AND CONSERVATION FUNDING BOARD

General Fund--State Appropriation (FY 2010) $1,486,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,312,000~~))
$1,311,000
General Fund--Federal Appropriation $10,427,000
General Fund--Private/Local Appropriation $250,000
Aquatic Lands Enhancement Account--State Appropriation $278,000
Firearms Range Account--State Appropriation $39,000
Recreation Resources Account--State Appropriation $2,738,000
NOVA Program Account--State Appropriation $1,059,000
TOTAL APPROPRIATION . . . . . ((~~$17,589,000~~))
$17,588,000

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

(1) $204,000 of the general fund--state appropriation for fiscal year 2010 and $194,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of Substitute House Bill No. 2157 (salmon recovery). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(2) The recreation and conservation office, under the direction of the salmon recovery funding board, shall assess watershed and regional-

scale capacity issues relating to the support and implementation of salmon recovery. The assessment shall examine priority setting and incentives to further promote coordination to ensure that effective and efficient mechanisms for delivery of salmon recovery funding board funds are being utilized. The salmon recovery funding board shall distribute its operational funding to the appropriate entities based on this assessment.

(3) The recreation and conservation office shall negotiate an agreement with the Puget Sound partnership to consolidate or share certain administrative functions currently performed by each agency independently. The agencies shall proportionately share the costs of such shared functions. Examples of shared functions may include, but are not limited to, support for personnel, information technology, grant and contract management, invasive species work, legislative coordination, and policy and administrative support of various boards and councils.

Sec. 1204. 2010 2nd sp.s. c 1 s 305 (uncodified) is amended to read as follows:

FOR THE ENVIRONMENTAL HEARINGS OFFICE

General Fund--State Appropriation (FY 2010) $1,108,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,035,000~~))

$1,034,000

TOTAL APPROPRIATION . . . . . ((~~$2,143,000~~))

$2,142,000

The appropriations in this section are subject to the following conditions and limitations: $46,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for tenant improvement costs associated with moving the office to a new location.

Sec. 1205. 2010 2nd sp.s. c 1 s 306 (uncodified) is amended to read as follows:

FOR THE CONSERVATION COMMISSION

General Fund--State Appropriation (FY 2010) $7,556,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$6,751,000~~))

$6,750,000

General Fund--Federal Appropriation $1,178,000

TOTAL APPROPRIATION . . . . . ((~~$15,485,000~~))

$15,484,000

The appropriations in this section are subject to the following conditions and limitations: In order to maintain a high degree of customer service and accountability for conservation districts, $125,000 is to support the conservation commission's administrative activities related to the processing of conservation district invoices and budgeting.

Sec. 1206. 2011 c 5 s 304 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF FISH AND WILDLIFE

General Fund--State Appropriation (FY 2010) $41,263,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$30,560,000~~))
$31,053,000
General Fund--Federal Appropriation $88,799,000
General Fund--Private/Local Appropriation $47,211,000
Off Road Vehicle Account--State Appropriation $413,000
Aquatic Lands Enhancement Account--State Appropriation . . . $6,739,000
Recreational Fisheries Enhancement--State
Appropriation $3,472,000
Warm Water Game Fish Account--State Appropriation $2,861,000
Eastern Washington Pheasant Enhancement Account--
State Appropriation $851,000
Aquatic Invasive Species Enforcement Account--State
Appropriation $207,000
Aquatic Invasive Species Prevention Account--State
Appropriation $833,000
Wildlife Account--State Appropriation $86,998,000
Wildlife Account--Federal Appropriation $101,000
Wildlife Account--Private/Local Appropriation $39,000
Game Special Wildlife Account--State Appropriation $2,367,000
Game Special Wildlife Account--Federal Appropriation $3,426,000
Game Special Wildlife Account--Private/Local
Appropriation $487,000
Wildlife Rehabilitation Account--State Appropriation $269,000
Regional Fisheries Salmonid Recovery Account--
Federal Appropriation $5,001,000
Oil Spill Prevention Account--State Appropriation $876,000

Oyster Reserve Land Account--State Appropriation $916,000

TOTAL APPROPRIATION . . . . . ((~~$323,689,000~~))

$324,182,000

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

(1) $294,000 of the aquatic lands enhancement account--state appropriation is provided solely for the implementation of hatchery reform recommendations defined by the hatchery scientific review group.

(2) $355,000 of the general fund--state appropriation for fiscal year 2010 and $422,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to implement a pilot project with the Confederated Tribes of the Colville Reservation to develop expanded recreational fishing opportunities on Lake Rufus Woods and its northern shoreline and to conduct joint enforcement of lake fisheries on Lake Rufus Woods and adjoining waters, pursuant to state and tribal intergovernmental agreements developed under the Columbia River water supply program. For the purposes of the pilot project:

(a) A fishing permit issued to a nontribal member by the Colville Tribes shall satisfy the license requirement of RCW 77.32.010 on the waters of Lake Rufus Woods and on the north shore of Lake Rufus Woods;

(b) The Colville Tribes have agreed to provide to holders of its nontribal member fishing permits a means to demonstrate that fish in their possession were lawfully taken in Lake Rufus Woods;

(c) A Colville tribal member identification card shall satisfy the license requirement of RCW 77.32.010 on all waters of Lake Rufus Woods;

(d) The department and the Colville Tribes shall jointly designate fishing areas on the north shore of Lake Rufus Woods for the purposes of enhancing access to the recreational fisheries on the lake; and

(e) The Colville Tribes have agreed to recognize a fishing license issued under RCW 77.32.470 or RCW 77.32.490 as satisfying the nontribal member fishing permit requirements of Colville tribal law on the reservation portion of the waters of Lake Rufus Woods and at designated fishing areas on the north shore of Lake Rufus Woods;

(3) Prior to submitting its 2011-2013 biennial operating and capital budget request related to state fish hatcheries to the office of financial management, the department shall contract with the hatchery scientific review group (HSRG) to review this request. This

review shall: (a) Determine if the proposed requests are consistent with HSRG recommendations; (b) prioritize the components of the requests based on their contributions to protecting wild salmonid stocks and meeting the recommendations of the HSRG; and (c) evaluate whether the proposed requests are being made in the most cost effective manner. The department shall provide a copy of the HSRG review to the office of financial management with their agency budget proposal.

(4) Within existing funds, the department shall continue implementing its capital program action plan dated September 1, 2007, including the purchase of the necessary maintenance and support costs for the capital programs and engineering tools. The department shall report to the office of financial management and the appropriate committees of the legislature, its progress in implementing the plan, including improvements instituted in its capital program, by September 30, 2010.

(5) $1,232,000 of the state wildlife account--state appropriation is provided solely to implement Substitute House Bill No. 1778 (fish and wildlife). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(6) $400,000 of the general fund--state appropriation for fiscal year 2010 and $400,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a state match to support the Puget Sound nearshore partnership between the department and the U.S. army corps of engineers.

(7) $50,000 of the general fund--state appropriation for fiscal year 2010 and $50,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for removal of derelict gear in Washington waters.

(8) The department of fish and wildlife shall dispose of all Cessna aircraft it currently owns. The proceeds from the aircraft shall be deposited into the state wildlife account. Disposal of the aircraft must occur no later than June 30, 2010. The department shall coordinate with the department of natural resources on the installation of fire surveillance equipment into its Partenavia aircraft. The department shall make its Partenavia aircraft available to the department of natural resources on a cost-reimbursement basis for its use in coordinating fire suppression efforts. The two agencies shall

develop an interagency agreement that defines how they will share access to the plane.

(9) $50,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for an electron project fish passage study consistent with the recommendations and protocols contained in the 2008 electron project downstream fish passage final report.

(10) $60,000 of the general fund--state appropriation for fiscal year 2010 and $60,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Second Substitute Bill No. 5560 (agency climate leadership). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(11) If sufficient new revenues are not identified to continue hatchery operations, within the constraints of legally binding tribal agreements, the department shall dispose of, by removal, sale, lease, reversion, or transfer of ownership, the following hatcheries: McKernan, Colville, Omak, Bellingham, Arlington, and Mossyrock. Disposal of the hatcheries must occur by June 30, 2011, and any proceeds received from disposal shall be deposited in the state wildlife account. Within available funds, the department shall provide quarterly reports on the progress of disposal to the office of financial management and the appropriate fiscal committees of the legislature. The first report shall be submitted no later than September 30, 2009.

(12) $100,000 of the eastern Washington pheasant enhancement account--state appropriation is provided solely for the department to support efforts to enhance permanent and temporary pheasant habitat on public and private lands in Grant, Franklin, and Adams counties. The department may support efforts by entities including conservation districts, nonprofit organizations, and landowners, and must require such entities to provide significant nonstate matching resources, which may be in the form of funds, material, or labor.

(13) Within the amounts appropriated in this section, the department of fish and wildlife shall develop a method for allocating its administrative and overhead costs proportionate to program fund use. As part of its 2011-2013 biennial operating budget, the department shall submit a decision package that rebalances expenditure authority for all agency funds based upon proportionate contributions.

(14) Within the amounts appropriated in this section, the department shall identify additional opportunities for partnerships in order to keep fish hatcheries operational. Such partnerships shall aim to maintain fish production and salmon recovery with less reliance on state operating funds.

(15) Within the amounts appropriated in this section, the department shall work with stakeholders to develop a long-term funding model that sustains the department's work of conserving species and habitat, providing sustainable recreational and commercial opportunities and using sound business practices. The funding model analysis shall assess the appropriate uses of each fund source and whether the department's current and projected revenue levels are adequate to sustain its current programs. The department shall report its recommended funding model including supporting analysis and stakeholder participation summary to the office of financial management and the appropriate committees of the legislature by October 1, 2010.

(16) By October 1, 2010, the department shall enter into an interagency agreement with the department of natural resources for land management services for the department's wildlife conservation and recreation lands. Land management services may include but are not limited to records management, real estate services such as surveying, and land acquisition and disposal services. The interagency agreement shall describe business processes, service delivery expectations, cost, and timing. In the agreement, the department shall define its roles and responsibilities. A draft agreement shall be submitted to the office of financial management and the appropriate fiscal committees of the legislature by July 1, 2010.

(17) Prior to opening game management unit 490 to public hunting, the department shall complete an environmental impact statement that includes an assessment of how public hunting activities will impact the ongoing protection of the public water supply.

(18) The department must work with appropriate stakeholders to facilitate the disposition of salmon to best utilize the resource, increase revenues to regional fisheries enhancement groups, and enhance the provision of nutrients to food banks. By November 1, 2010, the department must provide a report to the appropriate committees of the legislature summarizing these discussions, outcomes, and recommendations. After November 1, 2010, the department shall not

solicit or award a surplus salmon disposal contract without first giving due consideration to implementing the recommendations developed during the stakeholder process.

(19) $50,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for increased fish production at Voight Creek hatchery.

Sec. 1207. 2011 c 5 s 305 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF NATURAL RESOURCES

General Fund--State Appropriation (FY 2010) $48,822,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$37,321,000~~))
$37,302,000
General Fund--Federal Appropriation $28,784,000
General Fund--Private/Local Appropriation $2,369,000
Forest Development Account--State Appropriation $41,640,000
Off Road Vehicle Account--State Appropriation $4,406,000
Surveys and Maps Account--State Appropriation $2,332,000
Aquatic Lands Enhancement Account--State
Appropriation $8,315,000
Resources Management Cost Account--State
Appropriation $78,704,000
Surface Mining Reclamation Account--State
Appropriation $3,494,000
Disaster Response Account--State Appropriation $5,000,000
Forest and Fish Support Account--State Appropriation $8,000,000
Aquatic Land Dredged Material Disposal Site
Account--State Appropriation $1,333,000
Natural Resources Conservation Areas Stewardship
Account--State Appropriation $184,000
State Toxics Control Account--State Appropriation $720,000
Air Pollution Control Account--State Appropriation $478,000
NOVA Program Account--State Appropriation $974,000
Derelict Vessel Removal Account--State Appropriation $1,749,000
Agricultural College Trust Management Account--
State Appropriation $1,941,000
TOTAL APPROPRIATION . . . . . ((~~$276,566,000~~))
$276,547,000

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

(1) $1,355,000 of the general fund--state appropriation for fiscal year 2010 and $327,000 of the general fund--state appropriation for fiscal year 2011 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.

(2) $22,670,000 of the general fund--state appropriation for fiscal year 2010, $15,089,000 of the general fund--state appropriation for fiscal year 2011, and $5,000,000 of the disaster response account--state appropriation are provided solely for emergency fire suppression. 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. The department of natural resources shall submit a quarterly report to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from the disaster response account. This work shall be done in coordination with the military department.

(3) $5,000,000 of the forest and fish support account--state appropriation is provided solely for adaptive management, monitoring, and participation grants to tribes. If federal funding for this purpose is reinstated, the amount provided in this subsection shall lapse.

(4) $600,000 of the derelict vessel removal account--state appropriation is provided solely for removal of derelict and abandoned vessels that have the potential to contaminate Puget Sound.

(5) $666,000 of the general fund--federal appropriation is provided solely to implement House Bill No. 2165 (forest biomass energy project). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(6) $5,000 of the general fund--state appropriation for fiscal year 2010 and $5,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement Substitute House Bill No. 1038 (specialized forest products). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(7) $440,000 of the state general fund--state appropriation for fiscal year 2010 and $440,000 of the state general fund--state appropriation for fiscal year 2011 are provided solely for forest work crews that support correctional camps and are contingent upon continuing operations of Naselle youth camp at the level provided in fiscal year 2008. The department shall consider using up to $2,000,000 of the general fund--federal appropriation to support and utilize correctional camp crews to implement natural resource projects approved by the federal government for federal stimulus funding.

(8) The department of natural resources shall dispose of the King Air aircraft it currently owns. Before disposal and within existing funds, the department shall transfer specialized equipment for fire surveillance to the department of fish and wildlife's Partenavia aircraft. Disposal of the aircraft must occur no later than June 30, 2010, and the proceeds from the sale of the aircraft shall be deposited into the forest and fish support account.

(9) $30,000 of the general fund--state appropriation for fiscal year 2010 and $28,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Second Substitute Bill No. 5560 (agency climate leadership). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(10) $1,030,000 of the aquatic lands enhancement account--state appropriation for fiscal year 2011 is provided solely for continuing scientific studies already underway as part of the adaptive management process. Funds may not be used to initiate new studies unless the department secures new federal funding for the adaptive management process.

(11) Within available funds, the department of natural resources shall review the statutory method for determining aquatic lands lease rates for private marinas, public marinas not owned and operated by port districts, yacht clubs, and other entities leasing state land for boat moorage. The review shall consider alternative methods for determining rents for these entities for a fair distribution of rent, consistent with the department management mandates for state aquatic lands.

(12) $37,000 of the general fund--state appropriation for fiscal year 2011 and $100,000 of the aquatic lands enhancement account--state

appropriation are provided solely to install up to twenty mooring buoys in Eagle Harbor and to remove abandoned boats, floats, and other trespassing structures.

(13) By October 1, 2010, the department shall enter into an interagency agreement with the department of fish and wildlife for providing land management services on the department of fish and wildlife's wildlife conservation and recreation lands. Land management services may include but are not limited to records management, real estate services such as surveying, and land acquisition and disposal services. The interagency agreement shall describe business processes, service delivery expectations, cost, and timing. A draft agreement shall be submitted to the office of financial management and the appropriate fiscal committees of the legislature by July 1, 2010.

(14) $41,000 of the forest development account--state appropriation, $44,000 of the resources management cost account--state appropriation, and $2,000 of the agricultural college trust management account--state appropriation are provided solely for the implementation of Second Substitute House Bill No. 2481 (DNR forest biomass agreements). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

Sec. 1208. 2011 c 5 s 306 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF AGRICULTURE

General Fund--State Appropriation (FY 2010) $12,320,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$15,391,000~~))
<u>$15,366,000</u>
General Fund--Federal Appropriation $21,047,000
General Fund--Private/Local Appropriation $193,000
Aquatic Lands Enhancement Account--State Appropriation . . . $2,564,000
State Toxics Control Account--State Appropriation $4,724,000
Water Quality Permit Account--State Appropriation $61,000
TOTAL APPROPRIATION . . . . . ((~~$56,300,000~~))
<u>$56,275,000</u>

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

(1) $350,000 of the aquatic lands enhancement account appropriation

is provided solely for funding to the Pacific county noxious weed control board to eradicate remaining spartina in Willapa Bay.

(2) $19,000 of the general fund--state appropriation for fiscal year 2010 and $6,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement Substitute Senate Bill No. 5797 (solid waste handling permits). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(3) The department is authorized to establish or increase the following fees in the 2009-11 biennium as necessary to meet the actual costs of conducting business: Christmas tree grower licensing, nursery dealer licensing, plant pest inspection and testing, and commission merchant licensing.

(4) $5,179,000 of the general fund--state appropriation for fiscal year 2011 and $2,782,000 of the general fund--federal appropriation are provided solely for implementation of Substitute Senate Bill No. 6341 (food assistance/department of agriculture). Within amounts appropriated in this subsection, $65,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for a contract with a food distribution program for communities in the southwestern portion of the state and for workers impacted by timber and salmon fishing closures and reductions. The department may not charge administrative overhead or expenses to this contract. If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

(5) The department shall, if public or private funds are available, partner with eligible public and private entities with experience in food collection and distribution to review funding sources for eight full-time volunteers in the AmeriCorps VISTA program to conduct outreach to local growers, agricultural donors, and community volunteers. Public and private partners shall also be utilized to coordinate gleaning unharvested tree fruits and fresh produce for distribution to individuals throughout Washington state.

(6) When reducing laboratory activities and functions, the department shall not impact any research or analysis pertaining to bees.

Sec. 1209. 2011 c 5 s 307 (uncodified) is amended to read as follows:

FOR THE PUGET SOUND PARTNERSHIP

General Fund--State Appropriation (FY 2010) $3,143,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$2,528,000~~))
$2,525,000

General Fund--Federal Appropriation $8,096,000

Aquatic Lands Enhancement Account--State Appropriation $493,000

State Toxics Control Account--State Appropriation $794,000

TOTAL APPROPRIATION . . . . . ((~~$15,054,000~~))
$15,051,000

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

(1) $305,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for measuring water and habitat quality to determine watershed health and assist salmon recovery.

(2) $794,000 of the state toxics control account--state appropriation is provided solely for activities that contribute to Puget Sound protection and recovery, including provision of independent advice and assessment of the state's oil spill prevention, preparedness, and response programs, including review of existing activities and recommendations for any necessary improvements. The partnership may carry out this function through an existing committee, such as the ecosystem coordination board or the leadership council, or may appoint a special advisory council. Because this is a unique statewide program, the partnership may invite participation from outside the Puget Sound region.

(3) Within the amounts appropriated in this section, the Puget Sound partnership shall facilitate an ongoing monitoring consortium to integrate monitoring efforts for storm water, water quality, watershed health, and other indicators to enhance monitoring efforts in Puget Sound.

(4) The Puget Sound partnership shall work with Washington State University and the environmental protection agency to secure funding for the beach watchers program.

(5) $839,000 of the general fund--state appropriation for fiscal year 2010 and $608,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to support public education and

volunteer programs. The partnership is directed to distribute the majority of funding as grants to local organizations, local governments, and education, communication, and outreach network partners. The partnership shall track progress for this activity through the accountability system of the Puget Sound partnership.

(6) The Puget Sound partnership shall negotiate an agreement with the recreation and conservation office to consolidate or share certain administrative functions currently performed by each agency independently. The agencies shall proportionately share the costs of such shared functions. Examples of shared functions may include, but are not limited to, support for personnel, information technology, grant and contract management, invasive species work, legislative coordination, and policy and administrative support of various boards and councils.

(End of part)

PART XIII
TRANSPORTATION

Sec. 1301. 2011 c 5 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

General Fund--State Appropriation (FY 2010) $1,436,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,322,000~~))
$1,320,000
Architects' License Account--State Appropriation $923,000
Professional Engineers' Account--State
Appropriation $3,568,000
Real Estate Commission Account--State Appropriation $9,987,000
Master License Account--State Appropriation $15,718,000
Uniform Commercial Code Account--State Appropriation $3,090,000
Real Estate Education Account--State Appropriation $276,000
Real Estate Appraiser Commission Account--State
Appropriation $1,683,000
Business and Professions Account--State Appropriation . . . $15,188,000
Real Estate Research Account--State Appropriation $471,000
Geologists' Account--State Appropriation $53,000
Derelict Vessel Removal Account--State Appropriation $31,000
TOTAL APPROPRIATION . . . . . ((~~$53,746,000~~))
$53,744,000

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

(1) Pursuant to RCW 43.135.055, the department is authorized to increase fees for cosmetologists, funeral directors, cemeteries, court reporters and appraisers. These increases are necessary to support the expenditures authorized in this section, consistent with RCW 43.24.086.

(2) $1,352,000 of the business and professions account--state appropriation is provided solely to implement Substitute Senate Bill No. 5391 (tattoo and body piercing). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(3) $358,000 of the business and professions account--state appropriation is provided solely to implement Senate Bill No. 6126

(professional athletics). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(4) $151,000 of the real estate research account appropriation is provided solely to implement chapter 156, Laws of 2010 (real estate broker licensure fees).

(5) $158,000 of the architects' license account--state appropriation is provided solely to implement chapter 129, Laws of 2010 (architect licensing).

(6) $60,000 of the master license account--state appropriation is provided solely to implement chapter 174, Laws of 2010 (vaccine association). The amount provided in this subsection shall be from fee revenue authorized in chapter 174, Laws of 2010.

Sec. 1302. 2011 c 5 s 402 (uncodified) is amended to read as follows:

FOR THE STATE PATROL

General Fund--State Appropriation (FY 2010) $38,977,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$33,292,000~~))
$32,813,000
General Fund--Federal Appropriation $15,793,000
General Fund--Private/Local Appropriation $4,986,000
Death Investigations Account--State Appropriation $5,580,000
Enhanced 911 Account--State Appropriation $603,000
County Criminal Justice Assistance Account--State
Appropriation $3,146,000
Municipal Criminal Justice Assistance Account--State
Appropriation $1,255,000
Fire Service Trust Account--State Appropriation $131,000
Disaster Response Account--State Appropriation $8,002,000
Fire Service Training Account--State Appropriation $8,821,000
Aquatic Invasive Species Enforcement Account--State
Appropriation $54,000
State Toxics Control Account--State Appropriation $509,000
Fingerprint Identification Account--State
Appropriation $10,454,000
TOTAL APPROPRIATION . . . . . ((~~$131,603,000~~))
$131,124,000

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

(1) $200,000 of the fire service training account--state appropriation is provided solely for two FTEs in the office of the state director of fire protection to exclusively review K-12 construction documents for fire and life safety in accordance with the state building code. It is the intent of this appropriation to provide these services only to those districts that are located in counties without qualified review capabilities.

(2) $8,000,000 of the disaster response account--state appropriation is provided solely for Washington state fire service resource mobilization costs incurred in response to an emergency or disaster authorized under RCW 43.43.960 and 43.43.964. The state patrol shall submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from this account. This work shall be done in coordination with the military department.

(3) The 2010 legislature will review the use of king air planes by the executive branch and the adequacy of funding in this budget regarding maintaining and operating the planes to successfully accomplish their mission.

(4) The appropriations in this section reflect reductions in the appropriations for the agency's administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(5) $400,000 of the fire service training account--state appropriation is provided solely for the firefighter apprenticeship training program.

(6) $48,000 of the fingerprint identification account--state appropriation is provided solely to implement Substitute House Bill No. 1621 (consumer loan companies). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(7) In accordance with RCW 43.43.942, 46.52.085, and 43.135.055, the state patrol is authorized to increase the following fees in fiscal year 2011 as necessary to meet the actual costs of conducting business

and the appropriation levels in this section: Collision records requests; fire training academy courses; and fire training academy dorm accommodations.

(8) $24,000 of the fingerprint identification account--state appropriation is provided solely for implementation of chapter 47, Laws of 2010 (criminal background checks).

(End of part)

PART XIV
EDUCATION

Sec. 1401. 2011 c 5 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

General Fund--State Appropriation (FY 2010) $35,415,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$30,196,000~~))
$30,336,000

General Fund--Federal Appropriation $87,081,000

TOTAL APPROPRIATION . . . . . ((~~$152,692,000~~))
$152,832,000

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

(1) A maximum of $23,096,000 of the general fund--state appropriation for fiscal year 2010 and $20,070,000 of the general fund--state appropriation for fiscal year 2011 is for state agency operations.

(a) $11,226,000 of the general fund--state appropriation for fiscal year 2010 and $9,709,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

(i) 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.

(ii) Within amounts appropriated in this subsection (1)(a), the office of the superintendent of public instruction, consistent with WAC 392-121-182 (alternative learning experience requirements) which requires documentation of alternative learning experience student headcount and full-time equivalent (FTE) enrollment claimed for basic education funding, shall provide, monthly, accurate monthly headcount and FTE enrollments for students in alternative learning experience (ALE) programs as well as information about resident and serving districts.

(iii) Within amounts provided in this subsection (1)(a), the state superintendent of public instruction shall share best practices with school districts regarding strategies for increasing efficiencies and economies of scale in school district noninstructional operations through shared service arrangements and school district cooperatives, as well as other practices.

(b) $25,000 of the general fund--state appropriation for fiscal year 2011 is provided to the office of the superintendent of public instruction solely to convene a science, technology, engineering, and mathematics (STEM) working group to develop a comprehensive plan with a shared vision, goals, and measurable objectives to improve policies and practices to ensure that a pathway is established for elementary schools, middle schools, high schools, postsecondary degree programs, and careers in the areas of STEM, including improving practices for recruiting, preparing, hiring, retraining, and supporting teachers and instructors while creating pathways to boost student success, close the achievement gap, and prepare every student to be college and career ready. The working group shall be composed of the director of STEM at the office of the superintendent of public instruction who shall be the chair of the working group, and at least one representative from the state board of education, professional educator standards board, state board of community and technical colleges, higher education coordinating board, workforce training and education coordinating board, the achievement gap oversight and accountability committee, and others with appropriate expertise. The working group shall develop a comprehensive plan and a report with recommendations, including a timeline for specific actions to be taken, which is due to the governor and the appropriate committees of the legislature by December 1, 2010.

(c) $920,000 of the general fund--state appropriation for fiscal year 2010 and $491,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for research and development activities associated with the development of options for new school finance systems, including technical staff, reprogramming, and analysis of alternative student funding formulae. Within this amount is $150,000 for the state board of education for further development of accountability systems, and $150,000 for the professional educator standards board for continued development of teacher certification and evaluation systems.

(d) $965,000 of the general fund--state appropriation for fiscal year 2010 and $887,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities.

(e) $5,366,000 of the general fund--state appropriation for fiscal year 2010 and $3,103,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to the professional educator standards board for the following:

(i) $1,070,000 in fiscal year 2010 and $985,000 in fiscal year 2011 are for the operation and expenses of the Washington professional educator standards board;

(ii) $4,106,000 of the general fund--state appropriation for fiscal year 2010 and $1,936,000 of the general fund--state appropriation for fiscal year 2011 are for conditional scholarship loans and mentor stipends provided through the alternative routes to certification program administered by the professional educator standards board, including the pipeline for paraeducators program and the retooling to teach conditional loan programs. Funding within this subsection (1)(f)(ii) is also provided for the recruiting Washington teachers program.

(iii) $102,000 of the general fund--state appropriation for fiscal year 2010 is provided for the implementation of Second Substitute Senate Bill No. 5973 (student achievement gap). $94,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the ongoing work of the achievement gap oversight and accountability committee and implementation of the committee's recommendations.

(f) $1,349,000 of the general fund--state appropriation for fiscal year 2010 and $144,000 of the general fund--state appropriation for fiscal year 2011 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.

(g) $1,140,000 of the general fund--state appropriation for fiscal year 2010 and $1,227,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the creation of a statewide data base of longitudinal student information. This amount is

conditioned on the department satisfying the requirements in section 902 of this act.

(h) $75,000 of the general fund--state appropriation for fiscal year 2010 is provided solely to promote the financial literacy of students. The effort will be coordinated through the financial education public-private partnership. It is expected that nonappropriated funds available to the public-private partnership will be sufficient to continue financial literacy activities.

(i) To the maximum extent possible, in adopting new agency rules or making any changes to existing rules or policies related to the fiscal provisions in the administration of part V of this act, the office of the superintendent of public instruction shall attempt to request approval through the normal legislative budget process.

(j) $44,000 of the general fund--state appropriation for fiscal year 2010 and $45,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of Substitute Senate Bill No. 5248 (enacting the interstate compact on educational opportunity for military children).

(k) $700,000 of the general fund--state appropriation for fiscal year 2010 and $700,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of Substitute Senate Bill No. 5410 (online learning).

(l) $25,000 of the general fund--state appropriation for fiscal year 2010 and $12,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for project citizen, a program sponsored by the national conference of state legislatures and the center for civic education to promote participation in government by middle school students.

(m) $2,518,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the implementation of Substitute House Bill No. 2776 (K-12 education funding). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(n) $89,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the implementation of Engrossed Second Substitute House Bill No. 3026 (state and federal civil rights laws). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(o) Beginning in the 2010-11 school year, the superintendent of public instruction shall require all districts receiving general apportionment funding for alternative learning experience (ALE) programs as defined in WAC 392-121-182 to provide separate financial accounting of expenditures for the ALE programs offered in district or with a provider, including but not limited to private companies and multidistrict cooperatives.

(p) $55,000 of the general fund--state appropriation for fiscal year 2011 is provided to the office of the superintendent of public instruction solely to convene a technical working group to establish standards, guidelines, and definitions for what constitutes a basic education program for highly capable students and the appropriate funding structure for such a program, and to submit recommendations to the legislature for consideration. The working group may convene advisory subgroups on specific topics as necessary to assure participation and input from a broad array of diverse stakeholders. The working group must consult with and seek input from nationally recognized experts; researchers and academics on the unique educational, emotional, and social needs of highly capable students and how to identify such students; representatives of national organizations and associations for educators of or advocates for highly capable students; school district representatives who are educators, counselors, and classified school employees involved with highly capable programs; parents of students who have been identified as highly capable; representatives from the federally recognized tribes; and representatives of cultural, linguistic, and racial minority groups and the community of persons with disabilities. The working group shall make recommendations to the quality education council and to appropriate committees of the legislature by December 1, 2010. The recommendations shall take into consideration that access to the program for highly capable students is not an individual entitlement for any particular student. The recommendations shall seek to minimize underrepresentation of any particular demographic or socioeconomic group by better identification, not lower standards or quotas, and shall include the following:

(i) Standardized state-level identification procedures, standards, criteria, and benchmarks, including a definition or definitions of a

highly capable student. Students who are both highly capable and are students of color, are poor, or have a disability must be addressed;

(ii) Appropriate programs and services that have been shown by research and practice to be effective with highly capable students but maintain options and flexibility for school districts, where possible;

(iii) Program administration, management, and reporting requirements for school districts;

(iv) Appropriate educator qualifications, certification requirements, and professional development and support for educators and other staff who are involved in programs for highly capable students;

(v) Self-evaluation models to be used by school districts to determine the effectiveness of the program and services provided by the school district for highly capable programs;

(vi) An appropriate state-level funding structure; and

(vii) Other topics deemed to be relevant by the working group.

(q) $1,000,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for contracting with a college scholarship organization with expertise in conducting outreach to students concerning eligibility for the Washington college bound scholarship consistent with chapter 405, Laws of 2007.

(r) $24,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for implementation of Substitute Senate Bill No. 6759 (requiring a plan for a voluntary program of early learning as a part of basic education). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection (1)(r) shall lapse.

(s) $950,000 of the general fund--state appropriation for fiscal year 2010 ((~~is~~)) <u>and $150,000 of the general fund--state appropriation for fiscal year 2011 are</u> provided solely for office of the attorney general costs related to *McCleary v. State of Washington*.

(2) $12,320,000 of the general fund--state appropriation for fiscal year 2010, $10,127,000 of the general fund--state appropriation for fiscal year 2011, and $55,890,000 of the general fund--federal appropriation are for statewide programs.

(a) HEALTH AND SAFETY

(i) $2,541,000 of the general fund--state appropriation for fiscal year 2010 and $2,381,000 of the general fund--state appropriation for

fiscal year 2011 are provided solely 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) $100,000 of the general fund--state appropriation for fiscal year 2010 and $94,000 of the general fund--state appropriation for fiscal year 2011 are provided solely 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.

(iii) $9,670,000 of the general fund--federal appropriation is provided for safe and drug free schools and communities grants for drug and violence prevention activities and strategies.

(iv) $96,000 of the general fund--state appropriation for fiscal year 2010 and $90,000 of the general fund--state appropriation for fiscal year 2011 are provided solely 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.

(v) $70,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the youth suicide prevention program.

(vi) $50,000 of the general fund--state appropriation for fiscal year 2010 and $47,000 of the general fund--state appropriation for

fiscal year 2011 are provided solely for a nonviolence and leadership training program provided by the institute for community leadership.

(b) TECHNOLOGY

(i) $1,842,000 of the general fund--state appropriation for fiscal year 2010 and $1,635,000 of the general fund--state appropriation for fiscal year 2011 are provided solely 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.

(ii) $1,475,000 of the general fund--state appropriation for fiscal year 2010, $1,045,000 of the general fund--state appropriation for fiscal year 2011, and $435,000 of the general fund--federal appropriation are provided solely for implementing a comprehensive data system to include financial, student, and educator data. The office of the superintendent of public instruction will convene a data governance group to create a comprehensive needs-requirement document, conduct a gap analysis, and define operating rules and a governance structure for K-12 data collections.

(c) GRANTS AND ALLOCATIONS

(i) $1,329,000 of the general fund--state appropriation for fiscal year 2010 and $664,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the special services pilot project to include up to seven participating districts. 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.630.016.

(ii) $750,000 of the general fund--state appropriation for fiscal year 2010 and $750,000 of the general fund--state appropriation for fiscal year 2011 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.

(iii) $25,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for developing and disseminating curriculum and other materials documenting women's role in World War II.

(iv) $175,000 of the general fund--state appropriation for fiscal year 2010 and $87,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for incentive grants for districts and pilot projects to develop preapprenticeship programs. Incentive grant awards up to $10,000 each shall be used to support the program's design, school/business/labor agreement negotiations, and recruiting high school students for preapprenticeship programs in the building trades and crafts.

(v) $2,898,000 of the general fund--state appropriation for fiscal year 2010 and $2,924,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the dissemination of the navigation 101 curriculum to all districts. The funding shall support electronic student planning tools and software for analyzing the impact of navigation 101 on student performance, as well as grants to a maximum of one hundred school districts each year, based on progress and need for the implementation of the navigation 101 program. The implementation grants shall be awarded to a cross-section of school districts reflecting a balance of geographic and demographic characteristics. Within the amounts provided, the office of the superintendent of public instruction will create a navigation 101 accountability model to analyze the impact of the program.

(vi) $627,000 of the general fund--state appropriation for fiscal year 2010 and $225,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of a statewide program for comprehensive dropout prevention, intervention, and retrieval.

(vii) $40,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for program initiatives to address the educational needs of Latino students and families. Using the full amounts of the appropriations under this subsection (2)(c)(vii), the office of the superintendent of public instruction shall contract with the Seattle community coalition of compana quetzal to provide for three initiatives: (A) Early childhood education; (B) parent leadership training; and (C) high school success and college preparation programs.

(viii) $60,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for a pilot project to encourage bilingual high school students to pursue public school teaching as a profession. Using the full amounts of the appropriation under this subsection, the

office of the superintendent of public instruction shall contract with the Latino/a educational achievement project (LEAP) to work with school districts to identify and mentor not fewer than fifty bilingual students in their junior year of high school, encouraging them to become bilingual instructors in schools with high English language learner populations. Students shall be mentored by bilingual teachers and complete a curriculum developed and approved by the participating districts.

(ix) $145,000 of the general fund--state appropriation for fiscal year 2010 and $37,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to the office of the superintendent of public instruction to enhance the reading skills of students with dyslexia by implementing the findings of the dyslexia pilot program. Funds shall be used to provide information and training to classroom teachers and reading specialists, for development of a dyslexia handbook, and to take other statewide actions to improve the reading skills of students with dyslexia. The training program shall be delivered regionally through the educational service districts.

(x) $97,000 of the general fund--state appropriation for fiscal year 2010 and $48,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to support vocational student leadership organizations.

(xi) $100,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for drop-out prevention programs at the office of the superintendent of public instruction including the jobs for America's graduates (JAG) program.

Sec. 1402. 2011 c 5 s 502 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL APPORTIONMENT

General Fund--State Appropriation (FY 2010) $5,126,153,000

General Fund--State Appropriation (FY 2011) . . . . ((~~$4,887,369,000~~))
$4,623,555,000

General Fund--Federal Appropriation $208,098,000

TOTAL APPROPRIATION . . . . . ((~~$10,221,620,000~~))
$9,957,806,000

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

(1)(a) 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.

(b) The appropriations in this section include federal funds provided through section 101 of Public Law No. 111-226 (education jobs fund), which shall be used to support general apportionment program funding. In distributing general apportionment allocations under this section for the 2010-11 school year, the superintendent shall include the entire allocation from the federal funds provided through section 101 of Public Law No. 111-226 (education jobs fund) as part of each district's general apportionment allocation.

(2) Allocations for certificated staff salaries for the 2009-10 and 2010-11 school years shall be determined using formula-generated staff units calculated pursuant to this subsection. Staff allocations for small school enrollments in (e) through (g) 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 (d) through (g) of this subsection:

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

(ii)(A)(I) For districts that enroll fewer than 25 percent of their total full-time equivalent student enrollment in grades K through three in digital or online learning programs as defined in WAC 392-121-182, as in effect on November 1, 2009: For the 2009-10 school year, fifty-three and two-tenths certificated instructional staff units per thousand full-time equivalent students in grades K through three and, for the portion of the 2010-11 school year from September 1, 2010, through January 31, 2011, fifty and seventy-five one-hundredths certificated instructional staff units per thousand full-time equivalent students in grades K through three.

(II) For all other districts for the 2009-10 school year, a minimum of forty-nine certificated instructional staff units per 1,000 full-time equivalent (FTE) students in grades K through three, with additional certificated instructional staff units to equal the documented staffing level in grades K through three, up to a maximum of fifty-three and two-tenths certificated instructional staff units per 1,000 FTE students.

For the portion of the 2010 school year from September 1, 2010, through January 31, 2011, a minimum of forty-nine certificated instructional staff units per thousand full-time equivalent students in grades K through three, with additional certificated instructional staff units to equal the documented staffing level in grades K through three, up to a maximum of fifty and seventy-five one-hundredths certificated instructional staff units per thousand full-time equivalent students in grades K through three.

(B)(I) For districts that enroll fewer than 25 percent of their total full-time equivalent student enrollment in grade four in digital or online learning programs defined in WAC 392-121-182 as in effect on November 1, 2009: For the 2009-10 school year, fifty-three and two-tenths certificated instructional staff units per thousand full-time equivalent students in grade four, and for the portion of the 2010-11 school year from September 1, 2010, through January 31, 2011, forty-six and twenty-seven one-hundredths certificated instructional staff units per thousand full-time equivalent students in grade four.

(II) For all other districts:

For the 2009-10 school year, a minimum of forty-six certificated instructional staff units per 1,000 full-time equivalent (FTE) students in grade four, and additional certificated instructional staff units to equal the documented staffing level in grade four, up to a maximum of fifty-three and two-tenths certificated instructional staff units per 1,000 FTE students.

For the portion of the 2010-11 school year from September 1, 2010, through January 31, 2011, a minimum of forty-six certificated instructional staff units per 1,000 full-time equivalent (FTE) students in grade four, and additional certificated instructional staff units to equal the documented staffing level in grade four, up to a maximum of forty-six and twenty-seven one-hundredths certificated instructional staff units per 1,000 FTE students;

(iii) For the portion of the 2010-11 school year beginning February 1, 2010:

(A) Forty-nine certificated instructional staff units per thousand full-time equivalent students in grades kindergarten through three;

(B) Forty-six certificated instructional staff units per thousand full-time equivalent students in grade 4;

(iv) All allocations for instructional staff units per thousand full-time equivalent students above forty-nine in grades kindergarten through three and forty-six in grade four shall occur in apportionments in the monthly periods prior to February 1, 2011;

(v) Forty-six certificated instructional staff units per thousand full-time equivalent students in grades 5-12;

(vi) Certificated staff allocations in this subsection (2)(a) exceeding the statutory minimums established in RCW 28A.150.260 shall not be considered part of basic education;

(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;

(B) Middle school vocational STEM programs approved by the superintendent of public instruction, a maximum of 0.92 certificated instructional staff units and 0.8 certificated administrative staff units for each 19.5 full-time equivalent vocational students; and

(C) Skills center programs meeting the standards for skills center funding established in January 1999 by the superintendent of public instruction with a waiver allowed for skills centers in current operation that are not meeting this standard until the 2010-11 school year, 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 and vocational middle-school 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 2009-10 and 2010-11 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)(e) through (h) of this section, one classified staff unit for each 2.94 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 58.75 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 14.43 percent in the 2009-10 school year and 14.43 percent in the 2010-11 school year for certificated salary allocations provided under subsection (2) of this section, and a rate of 16.59 percent in the 2009-10 school year and 16.59 percent in the 2010-11 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 (g) of this section, there shall be provided a maximum of $10,179 per certificated staff unit in the 2009-10 school year and a maximum of $10,424 per certificated staff unit in the 2010-11 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 $24,999 per certificated staff unit in the 2009-10 school year and a maximum of $25,399 per certificated staff unit in the 2010-11 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 $19,395 per certificated staff unit in the 2009-10 school year and a maximum of $19,705 per certificated staff unit in the 2010-11 school year.

(7) Allocations for substitute costs for classroom teachers shall be distributed at a maintenance rate of $607.44 for the 2009-10 and 2010-11 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) Funding in this section is sufficient to provide additional service year credits to educational staff associates pursuant to chapter 403, Laws of 2007.

(10)(a) The superintendent may distribute a maximum of $5,452,000 outside the basic education formula during fiscal years 2010 and 2011 as follows:

(i) 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 $567,000 may be expended in fiscal year 2010 and a maximum of $576,000 may be expended in fiscal year 2011;

(ii) For summer vocational programs at skills centers, a maximum of $2,385,000 may be expended for the 2010 fiscal year and a maximum of $600,000 for the 2011 fiscal year;

(iii) A maximum of $403,000 may be expended for school district emergencies; and

(iv) A maximum of $485,000 for fiscal year 2010 and $436,000 for fiscal year 2011 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.

(b) Funding in this section is sufficient to fund a maximum of 1.6 FTE enrollment for skills center students pursuant to chapter 463, Laws of 2007.

(11) For purposes of RCW 84.52.0531, the increase per full-time equivalent student is 4.0 percent from the 2008-09 school year to the 2009-10 school year and 4.0 percent from the 2009-10 school year to the 2010-11 school year.

(12) If two or more school districts consolidate and each district was receiving additional basic education formula staff units pursuant to subsection (2)(b) through (g) 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.

(13) General apportionment payments to the Steilacoom historical school district shall reflect changes to operation of the Harriet Taylor elementary school consistent with the timing of reductions in correctional facility capacity and staffing.

(14) ((~~$2,500,000~~)) $15,500,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the superintendent for financial contingency funds for eligible school districts. Of the amount provided in this subsection, $2,500,000 is for school districts needing financial assistance as a result of budget reductions included in this act. Of the amount provided in this subsection, $13,000,000 is for school districts needing financial

assistance as a result of delaying a portion of the June apportionment payment. The financial contingency funds shall be allocated to eligible districts in the form of an advance of their respective general apportionment allocations.

(a) Eligibility:

The superintendent shall determine a district's eligibility for receipt of financial contingency funds, and districts shall be eligible only if the following conditions are met:

(i) A petition is submitted by the school district as provided in RCW 28A.510.250 and WAC 392-121-436; and

(ii) The district's projected general fund balance for the month of March is less than one-half of one percent of its budgeted general fund expenditures as submitted to the superintendent for the 2010-11 school year on the F-196 report.

(b) Calculations:

The superintendent shall calculate the financial contingency allocation to each district as the lesser of:

(i) The amount set forth in the school district's resolution;

(ii) An amount not to exceed 10 percent of the total amount to become due and apportionable to the district from September 1st through August 31st of the current school year;

(iii) The highest negative monthly cash and investment balance of the general fund between the date of the resolution and May 31st of the school year based on projections approved by the county treasurer and the educational service district.

(c) Repayment:

For any amount allocated to a district in state fiscal year 2011, the superintendent shall deduct in state fiscal year 2012 from the district's general apportionment the amount of the emergency contingency allocation and any earnings by the school district on the investment of a temporary cash surplus due to the emergency contingency allocation. Repayments or advances will be accomplished by a reduction in the school district's apportionment payments on or before June 30th of the school year following the distribution of the emergency contingency allocation. All disbursements, repayments, and outstanding allocations to be repaid of the emergency contingency pool shall be reported to the office of financial management and the appropriate

fiscal committees of the legislature on July 1st and January 1st of each year.

Sec. 1403. 2010 1st sp.s. c 37 s 504 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) . . . . . .($4,414,000)

General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,806,000~~)) <u>($1,539,000)</u>

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

TOTAL APPROPRIATION . . . . . ((~~$6,221,000~~)) <u>($5,954,000)</u>

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

(1)(a) Additional salary adjustments as necessary to fund the base salaries for certificated instructional staff as listed for each district in LEAP Document 2, defined in section 503(2)(b) of this act. Allocations for these salary adjustments shall be provided to all districts that are not grandfathered to receive salary allocations above the statewide salary allocation schedule, and to certain grandfathered districts to the extent necessary to ensure that salary allocations for districts that are currently grandfathered do not fall below the statewide salary allocation schedule.

(b) Additional salary adjustments to certain districts as necessary to fund the per full-time-equivalent salary allocations for certificated administrative staff as listed for each district in LEAP Document 2, defined in section 503(2)(b) of this act. These adjustments shall ensure a minimum salary allocation for certificated administrative staff of $57,986 in the 2009-10 school year and $57,986 in the 2010-11 school year.

(c) Additional salary adjustments to certain districts as necessary to fund the per full-time-equivalent salary allocations for classified staff as listed for each district in LEAP Document 2, defined in section 503(2)(b) of this act. These salary adjustments ensure a minimum salary allocation for classified staff of $31,865 in the 2009-10 school year and $31,865 in the 2010-11 school year.

(d) The appropriations in this subsection (1) include associated incremental fringe benefit allocations at rates 13.79 percent for the 2009-10 school year and 13.79 percent for the 2010-11 school year for certificated staff and 13.09 percent for the 2009-10 school year and 13.09 percent for the 2010-11 school year for classified staff.

(e) The appropriations in this section include the increased or decreased portion of salaries and incremental fringe benefits for all relevant state-funded school programs in part V of this act. Changes for general apportionment (basic education) are based on the salary allocation schedules and methodology in sections 502 and 503 of this act. Changes for special education result from changes in each district's basic education allocation per student. Changes 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. The appropriations in this section provide incremental fringe benefit alterations based on formula adjustments as follows:

	School Year	
	2009-10	2010-11
Pupil Transportation (per weighted pupil mile)	$0	$0
Highly Capable (per formula student)	($1.49)	($2.98)
Transitional Bilingual Education (per eligible bilingual student)	($3.93)	($7.86)
Learning Assistance (per formula student)	($1.18)	($2.36)

(f) The appropriations in this section include no salary adjustments for substitute teachers.

(2) $44,213,000 is provided for adjustments to insurance benefit allocations. The maintenance rate for insurance benefit allocations is $732.00 per month for the 2009-10 and 2010-11 school years. The appropriations in this section provide for a rate increase to $745.00 per month for the 2009-10 school year and $768.00 per month for the 2010-11 school year. The adjustments to health insurance benefits are at the following rates:

	School Year	
	2009-10	2010-11
Pupil Transportation (per weighted pupil mile)	$0.12	$0.33
Highly Capable (per formula student)	$0.79	$2.22
Transitional Bilingual Education (per eligible bilingual student)	$2.11	$5.83
Learning Assistance (per formula student)	$0.54	$1.49

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

Sec. 1404. 2011 c 5 s 503 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION

General Fund--State Appropriation (FY 2010) $317,116,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$296,408,000~~))
$297,393,000

TOTAL APPROPRIATION . . . . . ((~~$613,524,000~~))
$614,509,000

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 $878,000 of this fiscal year 2010 appropriation and a maximum of $803,000 of the fiscal year 2011 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) Allocations for transportation of students shall be based on reimbursement rates of $48.15 per weighted mile in the 2009-10 school year and $48.37 per weighted mile in the 2010-11 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.

(4) The office of the 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.

(5) The superintendent of public instruction shall base depreciation payments for school district buses on the pre-sales tax 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 lowest bid in the appropriate bus category for that school year.

(6) Funding levels in this section reflect reductions from the implementation of Substitute House Bill No. 1292 (authorizing waivers from the one hundred eighty-day school year requirement in order to allow four-day school weeks).

Sec. 1405. 2011 c 5 s 504 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE PROGRAMS

General Fund--State Appropriation (FY 2010) $3,159,000
General Fund--State Appropriation (FY 2011) $7,111,000
General Fund--Federal Appropriation . . . . . ((~~$448,588,000~~))
$505,188,000
TOTAL APPROPRIATION . . . . . ((~~$458,858,000~~))
$515,458,000

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 2010 is provided for state matching money for federal child nutrition programs.

(2) $100,000 of the general fund--state appropriation for fiscal year 2010 is provided for summer food programs for children in low-income areas.

(3) $59,000 of the general fund--state appropriation for fiscal year 2010 is provided solely to reimburse school districts for school breakfasts served to students enrolled in the free or reduced price meal program pursuant to chapter 287, Laws of 2005 (requiring school breakfast programs in certain schools).

(4) $7,111,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for state matching money for federal child nutrition programs, and may support the meals for kids program through the following allowable uses:

(a) Elimination of breakfast copays <u>for eligible public school students</u> and lunch copays for <u>eligible public school</u> students in grades kindergarten through third grade who are eligible for reduced price lunch;

(b) Assistance to school districts <u>and authorized public and private nonprofit organizations</u> for supporting summer food service programs, and initiating new summer food service programs in low-income areas; and

(c) Reimbursements to school districts for school breakfasts served to students eligible for free and reduced price lunch, pursuant to chapter 287, Laws of 2005.

Sec. 1406. 2011 c 5 s 505 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) $632,136,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$626,099,000~~))
<u>$627,316,000</u>

General Fund--Federal Appropriation . . . . . .((~~$664,601,000~~))
<u>$675,618,000</u>

Education Legacy Trust Account--State
Appropriation $756,000

TOTAL APPROPRIATION . . . . . ((~~$1,923,592,000~~))
$1,935,826,000

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 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 superintendent of public instruction shall continue to implement the full cost method of excess cost accounting, as designed by the committee and recommended by the superintendent, pursuant to section 501(1)(k), chapter 372, Laws of 2006.

(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 funds to school districts based on two categories: (a) The first category includes (i) children birth through age two who are eligible for the optional program for special education eligible developmentally delayed infants and toddlers, and (ii) students eligible for the mandatory special education program and who are age three or four, or five and not yet enrolled in kindergarten; and (b) the second category includes students who are eligible for the mandatory special education program and who are age five and enrolled in kindergarten and students age six through 21.

(5)(a) For the 2009-10 and 2010-11 school years, the superintendent shall make allocations to each district based on the sum of:

(i) A district's annual average headcount enrollment of students ages birth through four and those five year olds not yet enrolled in kindergarten, as defined in subsection (4) of this section, 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 in the 2009-10 school year. In the 2010-11 school year, the per student allocation under this subsection (5)(b) shall include the same factors as in the 2009-10 school year, but shall also include the classified staff enhancements included in section 502(3)(b).

(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 four enrollment and those five year olds not yet enrolled in kindergarten, 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, $19,512,000 of the general fund--state appropriation and $29,574,000 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 the federal safety net awards based on the federal eligibility threshold exceed the federal appropriation in this subsection (8) in any fiscal year, 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. In the determination of need, the committee shall require that districts demonstrate that they are maximizing their eligibility for all state and federal revenues related to services for special education-eligible students. Awards associated with (b) and (c) of this subsection shall not exceed the total of a district's specific determination of need.

(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) Using criteria developed by the committee, the committee shall then consider extraordinary costs associated with communities that draw a larger number of families with children in need of special education

services. The safety net awards to school districts shall be adjusted to reflect amounts awarded under (b) of this subsection.

(d) 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.

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

(f) 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. The state safety net oversight committee shall ensure that safety net documentation and awards are based on current medicaid revenue amounts.

(g) Beginning with the 2010-11 school year award cycle, the office of the superintendent of public instruction shall make award determinations for state safety net funding in August of each school year. Determinations on school district eligibility for state safety net awards shall be based on analysis of actual expenditure data from the current school year.

(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) The office of the superintendent of public instruction shall review and streamline the application process to access safety net funds, provide technical assistance to school districts, and annually survey school districts regarding improvement to the process.

(12) 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.

(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 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, carryover funds shall be expended in the special education program.

(15) $262,000 of the general fund--state appropriation for fiscal year 2010 and $251,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for two additional full-time equivalent staff to support the work of the safety net committee and to provide training and support to districts applying for safety net awards.

(16) $50,000 of the general fund--state appropriation for fiscal year 2010, $50,000 of the general fund--state appropriation for fiscal 2011, and $100,000 of the general fund--federal appropriation shall be expended to support a special education ombudsman program within the office of superintendent of public instruction.

Sec. 1407. 2010 1st sp.s. c 37 s 509 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) $93,141,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$286,911,000~~))
$285,980,000
General Fund--Federal Appropriation $157,043,000
TOTAL APPROPRIATION . . . . . ((~~$537,095,000~~))
$536,164,000

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

(1) $157,043,000 of the general fund--federal appropriation for fiscal year 2010 is provided solely for American recovery and reinvestment act of 2009 (ARRA) fiscal stabilization funds to restore state reductions for local effort assistance payments.

(2) $21,808,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of Substitute House Bill No. 2893 (school levies). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

Sec. 1408. 2010 1st sp.s. c 37 s 510 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) $18,059,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$19,006,000~~))
<u>$20,063,000</u>
TOTAL APPROPRIATION . . . . . ((~~$37,065,000~~))
<u>$38,122,000</u>

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) $228,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$228,000~~)) <u>$509,000</u> of the general fund--state appropriation for fiscal year 2011 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.

Sec. 1409. 2011 c 5 s 507 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund--State Appropriation (FY 2010) $9,189,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$9,162,000~~))
$9,137,000

TOTAL APPROPRIATION . . . . . ((~~$18,351,000~~))
$18,326,000

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 $401.08 per funded student for the 2009-10 school year and $401.08 per funded student for the 2010-11 school year, exclusive of salary and benefit adjustments pursuant to section 504 of this act. For the 2009-10 and 2010-11 school years, the number of funded students shall be a maximum of 2.314 percent of each district's full-time equivalent basic education enrollment.

(3) $90,000 of the fiscal year 2010 appropriation and $81,000 of the fiscal year 2011 appropriation are provided for the Washington destination imagination network and future problem-solving programs.

(4) $170,000 of the fiscal year 2010 appropriation and $153,000 of

the fiscal year 2011 appropriation are provided for the centrum program at Fort Worden state park.

Sec. 1410. 2011 c 5 s 508 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM PROGRAMS

General Fund--State Appropriation (FY 2010) $93,642,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$85,691,000~~))
$83,143,000

General Fund--Federal Appropriation . . . . . .((~~$154,627,000~~))
$245,841,000

Education Legacy Trust Account--State
Appropriation . . . . . ((~~$98,981,000~~))
$98,610,000

TOTAL APPROPRIATION . . . . . .((~~$432,941,000~~))
$521,236,000

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

(1) $35,804,000 of the general fund--state appropriation for fiscal year 2010, $31,850,000 of the general fund--state appropriation for fiscal year 2011, $1,350,000 of the education legacy trust account--state appropriation, and $17,869,000 of the general fund--federal appropriation are provided solely for development and implementation of the Washington state assessment system, including: (i) Development and implementation of retake assessments for high school students who are not successful in one or more content areas; and (ii) development and implementation of alternative assessments or appeals procedures to implement the certificate of academic achievement. The superintendent of public instruction shall report quarterly on the progress on development and implementation of alternative assessments or appeals procedures. Within these amounts, the superintendent of public instruction shall contract for the early return of 10th grade student assessment results, on or around June 10th of each year.

(2) $3,249,000 of the general fund--state appropriation for fiscal year 2010 and $3,249,000 of the general fund--state appropriation for

fiscal year 2011 are provided solely for the design of the state assessment system and the implementation of end of course assessments for high school math.

(3) Within amounts provided in subsections (1) and (2) of this section, the superintendent of public instruction, in consultation with the state board of education, shall develop a statewide high school end-of-course assessment measuring student achievement of the state science standards in biology to be implemented statewide in the 2011-12 school year. By December 1, 2010, the superintendent of public instruction shall recommend whether additional end-of-course assessments in science should be developed and in which content areas. Any recommendation for additional assessments must include an implementation timeline and the projected cost to develop and administer the assessments.

(4) $1,014,000 of the education legacy trust account appropriation is provided solely for allocations to districts for salaries and benefits for the equivalent of two additional professional development days for fourth and fifth grade teachers during the 2008-2009 school year. The allocations shall be made based on the calculations of certificated instructional staff units for fourth and fifth grade provided in section 502 of this act and on the calculations of compensation provided in sections 503 and 504 of this act. Districts may use the funding to support additional days for professional development as well as job-embedded forms of professional development.

(5) $3,241,000 of the education legacy trust fund appropriation is provided solely for allocations to districts for salaries and benefits for the equivalent of three additional professional development days for middle and high school math and science teachers during the 2008-2009 school year, as well as specialized training for one math and science teacher in each middle school and high school during the 2008-2009 school year. Districts may use the funding to support additional days for professional development as well as job-embedded forms of professional development.

(6) $3,773,000 of the education legacy trust account--state appropriation is provided solely for a math and science instructional coaches program pursuant to chapter 396, Laws of 2007. Funding shall be used to provide grants to schools and districts to provide salaries, benefits, and professional development activities for up to twenty-five

instructional coaches in middle and high school math and twenty-five instructional coaches in middle and high school science in each year of the biennium; and up to $300,000 may be used by the office of the superintendent of public instruction to administer and coordinate the program.

(7) $1,740,000 of the general fund--state appropriation for fiscal year 2010 ((~~and $1,775,000 of the general fund--state appropriation for fiscal year 2011 are~~)) is provided solely to allow approved middle and junior high school career and technical education programs to receive enhanced vocational funding. The office of the superintendent of public instruction shall provide allocations to districts for middle and junior high school students in accordance with the funding formulas provided in section 502 of this act. If Second Substitute Senate Bill No. 5676 is enacted the allocations are formula-driven, otherwise the office of the superintendent shall consider the funding provided in this subsection as a fixed amount, and shall adjust funding to stay within the amounts provided in this subsection. Beginning in school year 2010-11, middle and junior high vocational programs will be funded out of general apportionment.

(8) $139,000 of the general fund--state appropriation for fiscal year 2010 and $93,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for (a) staff at the office of the superintendent of public instruction to coordinate and promote efforts to develop integrated math, science, technology, and engineering programs in schools and districts across the state; and (b) grants of $2,500 to provide twenty middle and high school teachers each year professional development training for implementing integrated math, science, technology, and engineering program in their schools.

(9) $1,473,000 of the general fund--state appropriation for fiscal year 2010 and $197,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington state leadership and assistance for science education reform (LASER) regional partnership activities coordinated at the Pacific science center, including instructional material purchases, teacher and principal professional development, and school and community engagement events. Funding shall be distributed to the various LASER activities in a manner proportional to LASER program spending during the 2007-2009 biennium.

(10) ((~~$88,981,000~~)) $88,610,000 of the education legacy trust account--state appropriation is provided solely for grants for voluntary full-day kindergarten at the highest poverty schools, as provided in chapter 400, Laws of 2007. The office of the superintendent of public instruction shall provide allocations to districts for recipient schools in accordance with the funding formulas provided in section 502 of this act. Each kindergarten student who enrolls for the voluntary full-day program in a recipient school shall count as one-half of one full-time equivalent student for the purpose of making allocations under this subsection. Although the allocations are formula-driven, the office of the superintendent shall consider the funding provided in this subsection as a fixed amount, and shall limit the number of recipient schools so as to stay within the amounts appropriated each fiscal year in this subsection. The funding provided in this subsection is estimated to provide full-day kindergarten programs for 20 percent of kindergarten enrollment. Funding priority shall be given to schools with the highest poverty levels, as measured by prior year free and reduced priced lunch eligibility rates in each school. Additionally, as a condition of funding, school districts must agree to provide the full-day program to the children of parents who request it in each eligible school. For the purposes of calculating a school district levy base, funding provided in this subsection shall be considered a state block grant program under RCW 84.52.0531.

(a) Of the amounts provided in this subsection, a maximum of $272,000 may be used for administrative support of the full-day kindergarten program within the office of the superintendent of public instruction.

(b) Student enrollment pursuant to this program shall not be included in the determination of a school district's overall K-12 FTE for the allocation of student achievement programs and other funding formulas unless specifically stated.

(11) $700,000 of the general fund--state appropriation for fiscal year 2010 and $450,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the development of a leadership academy for school principals and administrators. The superintendent of public instruction shall contract with an independent organization to design, field test, and implement a state-of-the-art education leadership academy that will be accessible throughout the

state. Initial development of the content of the academy activities shall be supported by private funds. Semiannually the independent organization shall report on amounts committed by foundations and others to support the development and implementation of this program. Leadership academy partners, with varying roles, shall include the state level organizations for school administrators and principals, the superintendent of public instruction, the professional educator standards board, and others as the independent organization shall identify.

(12) $105,754,000 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.

(13) $1,960,000 of the general fund--state appropriation for fiscal year 2010 and $761,000 of the general fund--state appropriation for fiscal year 2011 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. Funding in this subsection shall be used for focused assistance programs for individual schools or school districts. The office of the superintendent of public instruction shall report to the fiscal committees of the legislature by September 1, 2011, providing an accounting of the uses of focused assistance funds during the 2009-11 fiscal biennium, including a list of schools served and the types of services provided.

(14) $1,667,000 of the general fund--state appropriation for fiscal year 2010 is provided solely to eliminate the lunch co-pay for students in grades kindergarten through third grade that are eligible for reduced price lunch.

(15) $5,285,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for: (a) The meals for kids program under RCW 28A.235.145 through 28A.235.155; (b) to eliminate the breakfast co-pay for students eligible for reduced price lunch; and (c) for additional assistance for school districts initiating a summer food service program.

(16) $1,003,000 of the general fund--state appropriation for fiscal year 2010 and $528,000 of the general fund--state appropriation for

fiscal year 2011 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 2009 through August 31, 2011.

(17) $3,269,000 of the general fund--state appropriation for fiscal year 2010 and $3,594,000 of the general fund--state appropriation for fiscal year 2011 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.

(18) $1,861,000 of the general fund--state appropriation for fiscal year 2010 and $1,836,000 of the general fund--state appropriation for fiscal year 2011 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.

(19) $225,000 of the general fund--state appropriation for fiscal year 2010 and $150,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the operation of the center for the improvement of student learning pursuant to RCW 28A.300.130.

(20) $246,000 of the education legacy trust account--state appropriation is provided solely for costs associated with the office of the superintendent of public instruction's statewide director of technology position.

(21)(a) $28,715,000 of the general fund--state appropriation for fiscal year 2010 and (($~~36,168,000~~)) $35,395,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the following bonuses for teachers who hold valid, unexpired certification

from the national board for professional teaching standards and who are teaching in a Washington public school, subject to the following conditions and limitations:

(i) For national board certified teachers, a bonus of $5,000 per teacher beginning in the 2007-08 school year and adjusted for inflation in each school year thereafter in which Initiative 732 cost of living adjustments are provided;

(ii) An additional $5,000 annual bonus shall be paid to national board certified teachers who teach in either: (A) High schools where at least 50 percent of student headcount enrollment is eligible for federal free or reduced price lunch, (B) middle schools where at least 60 percent of student headcount enrollment is eligible for federal free or reduced price lunch, or (C) elementary schools where at least 70 percent of student headcount enrollment is eligible for federal free or reduced price lunch;

(iii) The superintendent of public instruction shall adopt rules to ensure that national board certified teachers meet the qualifications for bonuses under (a)(ii) of this subsection for less than one full school year receive bonuses in a pro-rated manner; and

(iv) During the 2009-10 and 2010-11 school years, and within the available state and federal appropriations, certificated instructional staff who have met the eligibility requirements and have applied for certification from the national board for professional teaching standards may receive a conditional two thousand dollars or the amount set by the office of the superintendent of public instruction to contribute toward the current assessment fee, not including the initial up-front candidacy payment. The fee shall be an advance on the first annual bonus under RCW 28A.405.415. The assessment fee for national certification is provided in addition to compensation received under a district's salary schedule adopted in accordance with RCW 28A.405.200 and shall not be included in calculations of a district's average salary and associated salary limitation under RCW 28A.400.200. Recipients who fail to receive certification after three years are required to repay the assessment fee, not including the initial up-front candidacy payment, as set by the national board for professional teaching standards and administered by the office of the superintendent of public instruction. The office of the superintendent of public

instruction shall adopt rules to define the terms for initial grant of the assessment fee and repayment, including applicable fees.

(b) Included in the amounts provided in this subsection are amounts for mandatory fringe benefits.

(22) $2,475,000 of the general fund--state appropriation for fiscal year 2010 and $456,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for secondary career and technical education grants pursuant to chapter 170, Laws of 2008. This funding may additionally be used to support FIRST Robotics programs. In fiscal year 2011, if equally matched by private donations, $300,000 of the appropriation shall be used to support FIRST Robotics programs, including FIRST Robotics professional development.

(23) $75,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the implementation of House Bill No. 2621 (K-12 school resource programs). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(24) $300,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the local farms-healthy kids program as described in chapter 215, Laws of 2008. The program is suspended in the 2011 fiscal year, and not eliminated.

(25) $2,348,000 of the general fund--state appropriation for fiscal year 2010 and $1,000,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a beginning educator support program. School districts and/or regional consortia may apply for grant funding beginning in the 2009-10 school year. The superintendent shall implement this program in 5 to 15 school districts and/or regional consortia. The program provided by a district and/or regional consortia shall include: A paid orientation; assignment of a qualified mentor; development of a professional growth plan for each beginning teacher aligned with professional certification; release time for mentors and new teachers to work together, and teacher observation time with accomplished peers. $250,000 may be used to provide state-wide professional development opportunities for mentors and beginning educators. The superintendent of public instruction shall adopt rules to establish and operate a research-based beginning educator support program no later than August 31, 2009. OSPI must evaluate the program's progress and may contract for this work. A report to the

legislature about the beginning educator support program is due November 1, 2010.

(26) $390,000 of the education legacy trust account--state appropriation is provided solely for the development and implementation of diagnostic assessments, consistent with the recommendations of the Washington assessment of student learning work group.

(27) Funding within this section is provided for implementation of Engrossed Substitute Senate Bill No. 5414 (statewide assessments and curricula).

(28) $530,000 of the general fund--state appropriation for fiscal year 2010 and $265,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the leadership internship program for superintendents, principals, and program administrators.

(29) Funding for the community learning center program, established in RCW 28A.215.060, and providing grant funding for the 21st century after-school program, is suspended and not eliminated.

(30) $2,357,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 6696 (education reform). Of the amount provided, $142,000 is provided to the professional educators' standards board and $120,000 is provided to the system of the educational service districts, to fulfill their respective duties under the bill.

Sec. 1411. 2010 1st sp.s. c 37 s 514 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) $76,419,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$77,672,000~~))
$79,912,000
General Fund--Federal Appropriation $65,263,000
TOTAL APPROPRIATION . . . . . ((~~$219,354,000~~))
$221,594,000

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

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

(2) The superintendent shall distribute a maximum of $901.46 per eligible bilingual student in the 2009-10 school year and $901.46 in the 2010-11 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 track current and former transitional bilingual program students.

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

Sec. 1412. 2010 1st sp.s. c 37 s 515 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) $103,865,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$110,312,000~~))
$114,240,000
General Fund--Federal Appropriation . . . . . .((~~$553,925,000~~))
$580,425,000
Education Legacy Trust Account--State Appropriation $47,980,000
TOTAL APPROPRIATION . . . . . .((~~$816,082,000~~))
$846,510,000

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

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

(a) The appropriations include 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 $281.71 per funded student for the

2009-10 school year and $283.00 per funded student for the 2010-11 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 multiplied by 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 the amounts allocated in (b) and (c) of this subsection, an additional amount shall be allocated to school districts with high concentrations of poverty and English language learner students, subject to the following rules and conditions:

(i) To qualify for additional funding under this subsection, a district's October headcount enrollment in grades kindergarten through grade twelve must have at least twenty percent enrolled in the transitional bilingual instruction program based on an average of the program headcount taken in October and May of the prior school year; and must also have at least forty percent eligible for free or reduced price lunch based on October headcount enrollment in grades kindergarten through twelve in the prior school year.

(ii) Districts meeting the specifications in (d)(i) of this subsection shall receive additional funded students for the learning assistance program at the rates specified in subsection (1)(b) of this section. The number of additional funded student units shall be calculated by subtracting twenty percent from the district's percent transitional bilingual instruction program enrollment as defined in (d)(i) of this subsection, and the resulting percent shall be multiplied by the district's kindergarten through twelve annual average full-time equivalent enrollment for the prior school year.

(2) Allocations made pursuant to subsection (1) of this section shall be adjusted to reflect ineligible applications identified through

the annual income verification process required by the national school lunch program, as recommended in the report of the state auditor on the learning assistance program dated February, 2010.

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

(5) School districts are encouraged to coordinate the use of these funds with other federal, state, and local sources to serve students who are below grade level and to make efficient use of resources in meeting the needs of students with the greatest academic deficits.

(6) Within amounts appropriated in this section, funding is provided for the implementation of extended learning programs required in chapter 328, Laws of 2008.

Sec. 1413. 2010 1st sp.s. c 37 s 516 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) $19,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$25,730,000~~))
$25,417,000

General Fund--Federal Appropriation $200,295,000

TOTAL APPROPRIATION . . . . . .((~~$226,044,000~~))
$225,731,000

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

(1) Funding for school district student achievement programs shall be allocated at a maximum rate of $131.16 per FTE student for the 2009-10 school year and $0 per FTE student for the 2010-11 school year. For the purposes of this section, 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, as reported to the office of the superintendent of public instruction by August 31st of the previous 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.

(4) $200,295,000 of the general fund--federal appropriation for fiscal year 2010 is provided solely for American recovery and reinvestment act of 2009 (ARRA) fiscal stabilization funds to restore state reductions for the student achievement program.

Sec. 1414. 2010 1st sp.s. c 37 s 517 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) Appropriations made in this act to the office of the 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, except as expressly provided in subsection (2) of this section.

(2) The appropriations to the office of the superintendent of public instruction in this act shall be expended for the programs and amounts specified in this act. However, after May 1, ((~~2010~~)) 2011, unless specifically prohibited by this act and after approval by the director of financial management, the superintendent of public instruction may transfer state general fund appropriations for fiscal year ((~~2010~~)) 2011 among the following programs to meet the apportionment schedule for a specified formula in another of these programs: General apportionment; employee compensation adjustments; pupil transportation; special education programs; institutional education programs; transitional bilingual programs; and student achievement and learning assistance programs.

(3) The director of financial management shall notify the appropriate legislative fiscal committees in writing prior to approving any allotment modifications or transfers under this section.

(End of part)

PART XV
HIGHER EDUCATION

Sec. 1501. 2011 c 5 s 601 (uncodified) is amended to read as follows:

FOR THE UNIVERSITY OF WASHINGTON

General Fund--State Appropriation (FY 2010) $269,571,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$259,706,000~~))
$259,552,000
General Fund--Federal Appropriation $43,971,000
Education Legacy Trust Account--State Appropriation $54,534,000
Accident Account--State Appropriation $6,750,000
Medical Aid Account--State Appropriation $6,540,000
Biotoxin Account--State Appropriation $449,000
TOTAL APPROPRIATION . . . . . ((~~$641,521,000~~))
$641,367,000

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

(1) In implementing the appropriations in this section, the president and regents shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) Because higher education is an essential driver of economic recovery and development, the university shall maintain, and endeavor to increase, enrollment and degree production levels at or beyond their academic year 2008-09 levels in the following high-demand fields: Biological and biomedical sciences; computer and information sciences; education with specializations in special education, math, or science; engineering and engineering technology; health professions and related clinical sciences; and mathematics and statistics.

(3) $75,000 of the general fund--state appropriation for fiscal year 2010 and $75,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for forestry research by the Olympic natural resources center.

(4) $150,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the William D. Ruckelshaus center for

facilitation, support, and analysis to support the nurse staffing steering committee in its work to apply best practices related to patient safety and nurse staffing.

(5) $54,000 of the general fund--state appropriation for fiscal year 2010 and $54,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the University of Washington geriatric education center to provide a voluntary adult family home certification program. In addition to the minimum qualifications required under RCW 70.128.120, individuals participating in the voluntary adult family home certification program shall complete fifty-two hours of class requirements as established by the University of Washington geriatric education center. Individuals completing the requirements of RCW 70.128.120 and the voluntary adult family home certification program shall be issued a certified adult family home license by the department of social and health services. The department of social and health services shall adopt rules implementing the provisions of this subsection.

(6) $50,000 of the general fund--state appropriation for fiscal year 2010 and $52,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the center for international trade in forest products in the college of forest resources.

(7) $250,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for joint planning to increase the number of residency positions and programs in eastern Washington and Spokane within the existing Washington, Wyoming, Alaska, Montana, Idaho (WWAMI) regional medical education program partnership between the University of Washington school of medicine, Washington State University, and area physicians and hospitals. The joint planning efforts are to include preparation of applications for new residency programs in family medicine, internal medicine, obstetrics, psychiatry and general surgery; business plans for those new programs; and for increasing the number of positions in existing programs among regional academic and hospital partners and networks. The results of the joint planning efforts, including the status of the application preparation and business plan, must be reported to the house of representatives committee on higher education and the senate committee on higher education and workforce development by December 1, 2010.

(8) $25,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of chapter 164, Laws of 2010 (local government infrastructure). The University of Washington shall use a qualified researcher to report the percentage probability that the application's assumptions and estimates of jobs created and increased tax receipts will be achieved by the projects. In making this report, the qualified researcher shall work with the department of revenue and the applicants to develop a series of factors that are based on available economic metrics and sound principles.

(9) Appropriations in section 609 of this act reflect reductions to the state need grant. The University of Washington shall use locally held funds to provide a commensurate amount of aid to eligible students who would have received state need grant payments through the appropriations in section 609 of this act.

By September 1, 2011, the University of Washington shall report to the appropriate legislative fiscal and policy committees regarding the implementation of this section. The report shall provide detail on the number of students provided aid under this subsection and the amount of aid provided to each student.

Sec. 1502. 2011 c 5 s 602 (uncodified) is amended to read as follows:

FOR WASHINGTON STATE UNIVERSITY

General Fund--State Appropriation (FY 2010) $169,462,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$170,699,000~~))
<u>$170,090,000</u>
General Fund--Federal Appropriation $15,772,000
Education Legacy Trust Account--State Appropriation $34,435,000
TOTAL APPROPRIATION . . . . . ((~~$390,368,000~~))
<u>$389,759,000</u>

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

(1) In implementing the appropriations in this section, the president and regents shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) Because higher education is an essential driver of economic recovery and development, the university shall maintain, and endeavor

to increase, enrollment and degree production levels at or beyond their academic year 2008-09 levels in the following high-demand fields: Biological and biomedical sciences; computer and information sciences; education with specializations in special education, math, or science; engineering and engineering technology; health professions and related clinical sciences; and mathematics and statistics.

(3) When implementing reductions for fiscal year 2010 and fiscal year 2011, Washington State University shall minimize reductions to extension services and agriculture extension services. Agriculture extension includes:

(a) Faculty with extension appointments working within the following departments in the college of agricultural, human, and natural resource sciences with extension appointments: Animal sciences, crop and soil sciences, entomology, horticulture, and plant pathology;

(b) The portion of county extension educators' appointments assigned to the "agricultural programs" area;

(c) Staff with extension appointments and extension operating allocations located at the irrigated agriculture research and extension center (Prosser), northwest Washington research and extension center (Mt. Vernon), and tree fruit research and extension center (Wenatchee); and

(d) Extension contributions to the center for precision agricultural systems, center for sustaining agriculture and natural resources, and the agriculture weather network.

(4) $75,000 of the general fund--state appropriation for fiscal year 2010 and $75,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for research related to honeybee colony collapse disease.

(5) Appropriations in section 609 of this act reflect reductions to the state need grant. Washington State University shall use locally held funds to provide a commensurate amount of aid to eligible students who would have received state need grant payments through the appropriations in section 609 of this act.

By September 1, 2011, Washington State University shall report to the appropriate legislative fiscal and policy committees regarding the implementation of this section. The report shall provide detail on the

number of students provided aid under this subsection and the amount of aid provided to each student.

Sec. 1503. 2011 c 5 s 603 (uncodified) is amended to read as follows:

FOR EASTERN WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2010) $34,689,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$35,126,000~~))
$35,106,000
General Fund--Federal Appropriation $5,522,000
Education Legacy Trust Account--State Appropriation $16,041,000
TOTAL APPROPRIATION . . . . . ((~~$91,378,000~~))
$91,358,000

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

(1) In implementing the appropriations in this section, the president and governing board shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) Because higher education is an essential driver of economic recovery and development, the university shall maintain, and endeavor to increase, enrollment and degree production levels at or beyond their academic year 2008-09 levels in the following high-demand fields: Biological and biomedical sciences; computer and information sciences; education with specializations in special education, math, or science; engineering and engineering technology; health professions and related clinical sciences; and mathematics and statistics.

(3) At least $200,000 of the general fund--state appropriation for fiscal year 2010 and at least $200,000 of the general fund--state appropriation for fiscal year 2011 shall be expended on the northwest autism center.

(4) Appropriations in section 609 of this act reflect reductions to the state need grant. Eastern Washington University shall use locally held funds to provide a commensurate amount of aid to eligible students who would have received state need grant payments through the appropriations in section 609 of this act.

By September 1, 2011, Eastern Washington University shall report to the appropriate legislative fiscal and policy committees regarding the

implementation of this section. The report shall provide detail on the number of students provided aid under this subsection and the amount of aid provided to each student.

Sec. 1504. 2011 c 5 s 604 (uncodified) is amended to read as follows:

FOR CENTRAL WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2010) $30,289,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$32,383,000~~))
$32,337,000
General Fund--Federal Appropriation $6,975,000
Education Legacy Trust Account--State Appropriation $19,012,000
TOTAL APPROPRIATION . . . . . ((~~$88,659,000~~))
$88,613,000

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

(1) In implementing the appropriations in this section, the president and governing board shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) Because higher education is an essential driver of economic recovery and development, the university shall maintain, and endeavor to increase, enrollment and degree production levels at or beyond their academic year 2008-09 levels in the following high-demand fields: Biological and biomedical sciences; computer and information sciences; education with specializations in special education, math, or science; engineering and engineering technology; health professions and related clinical sciences; and mathematics and statistics.

(3) Appropriations in section 609 of this act reflect reductions to the state need grant. Central Washington University shall use locally held funds to provide a commensurate amount of aid to eligible students who would have received state need grant payments through the appropriations in section 609 of this act.

By September 1, 2011, Central Washington University shall report to the appropriate legislative fiscal and policy committees regarding the implementation of this section. The report shall provide detail on the number of students provided aid under this subsection and the amount of aid provided to each student.

Sec. 1505. 2011 c 5 s 605 (uncodified) is amended to read as follows:

FOR THE EVERGREEN STATE COLLEGE

General Fund--State Appropriation (FY 2010) $20,514,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$17,728,000~~))

$17,714,000

General Fund--Federal Appropriation $2,366,000

Education Legacy Trust Account--State Appropriation $5,417,000

TOTAL APPROPRIATION . . . . . ((~~$46,025,000~~))

$46,011,000

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

(1) In implementing the appropriations in this section, the president and governing board shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) Because higher education is an essential driver of economic recovery and development, the college shall maintain, and endeavor to increase, enrollment and degree production levels at or beyond their academic year 2008-09 levels in the following high-demand fields: Biological and biomedical sciences; computer and information sciences; education with specializations in special education, math, or science; engineering and engineering technology; health professions and related clinical sciences; and mathematics and statistics.

(3)(a) At least $100,000 of the general fund--state appropriation for fiscal year 2010 shall be expended on the labor education and research center.

(b) In fiscal year 2011 the labor education and research center shall be transferred from The Evergreen State College to south Seattle community college.

(4) $100,000 of the general fund--state appropriation for fiscal year 2010 and $100,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington state institute for public policy to report to the legislature regarding efficient and effective programs and policies. The report shall calculate the return on investment to taxpayers from evidence-based prevention and intervention programs and policies that influence crime, K-12 education outcomes, child maltreatment, substance abuse, mental health, public

health, public assistance, employment, and housing. The institute for public policy shall provide the legislature with a comprehensive list of programs and policies that improve these outcomes for children and adults in Washington and result in more cost-efficient use of public resources. The institute shall submit interim reports by December 15, 2009, and October 1, 2010, and a final report by June 30, 2011. The institute may receive additional funds from a private organization for the purpose of conducting this study.

(5) To the extent federal or private funding is available for this purpose, the Washington state institute for public policy and the center for reinventing public education at the University of Washington shall examine the relationship between participation in pension systems and teacher quality and mobility patterns in the state. The department of retirement systems shall facilitate researchers' access to necessary individual-level data necessary to effectively conduct the study. The researchers shall ensure that no individually identifiable information will be disclosed at any time. An interim report on project findings shall be completed by November 15, 2010, and a final report shall be submitted to the governor and to the relevant committees of the legislature by October 15, 2011.

(6) At least $200,000 of the general fund--state appropriation for fiscal year 2010 and at least $200,000 of the general fund--state appropriation for fiscal year 2011 shall be expended on the Washington center for undergraduate education.

(7) $15,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the Washington state institute for public policy to examine the need for and methods to increase the availability of nonfood items, such as personal hygiene supplies, soaps, paper products, and other items, to needy persons in the state. The study shall examine existing private and public programs that provide such products, and develop recommendations for the most cost-effective incentives for private and public agencies to increase local distribution outlets and local and regional networks of supplies. A final report shall be delivered to the legislature and the governor by December 1, 2009.

(8) $17,000 of the general fund--state appropriation for fiscal year 2010 and $42,000 of the general fund--state appropriation for fiscal year 2011 are provided to the Washington state institute for

public policy to implement Second Substitute House Bill No. 2106 (child welfare outcomes). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(9) $54,000 of the general fund--state appropriation for fiscal year 2010 and $23,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement Substitute Senate Bill No. 5882 (racial disproportionality). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(10) $75,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the Washington state institute of public policy to evaluate the adequacy of and access to financial aid and independent living programs for youth in foster care. The examination shall include opportunities to improve efficiencies within these programs. The institute shall report its findings by December 1, 2009.

(11) $75,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the Washington state institute for public policy to conduct an assessment of the general assistance unemployable program and other similar programs. The assessment shall include a review of programs in other states that provide similar services and will include recommendations on promising approaches that both improve client outcomes and reduce state costs. A report is due by December 1, 2009.

(12) To the extent funds are available, the Washington state institute for public policy is encouraged to continue the longitudinal analysis of long-term mental health outcomes directed in chapter 334, Laws of 2001 (mental health performance audit), to build upon the evaluation of the impacts of chapter 214, Laws of 1999 (mentally ill offenders); and to assess program outcomes and cost effectiveness of the children's mental health pilot projects as required by chapter 372, Laws of 2006.

(13) $50,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the institute for public policy to provide research support to the council on quality education.

(14) At least $119,207 of the general fund--state appropriation for fiscal year 2011 shall be expended on the longhouse center.

(15) At least $103,146 of the general fund--state appropriation for

fiscal year 2011 shall be expended on the Northwest Indian applied research institute.

(16) Appropriations in section 609 of this act reflect reductions to the state need grant. The Evergreen State College shall use locally held funds to provide a commensurate amount of aid to eligible students who would have received state need grant payments through the appropriations in section 609 of this act.

By September 1, 2011, The Evergreen State College shall report to the appropriate legislative fiscal and policy committees regarding the implementation of this section. The report shall provide detail on the number of students provided aid under this subsection and the amount of aid provided to each student.

Sec. 1506. 2011 c 5 s 606 (uncodified) is amended to read as follows:

FOR WESTERN WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2010) $43,146,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$46,359,000~~))
$46,310,000
General Fund--Federal Appropriation $8,885,000
Education Legacy Trust Account--State Appropriation $12,917,000
TOTAL APPROPRIATION . . . . . ((~~$111,307,000~~))
$111,258,000

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

(1) In implementing the appropriations in this section, the president and governing board shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) Because higher education is an essential driver of economic recovery and development, the university shall maintain, and endeavor to increase, enrollment and degree production levels at or beyond their academic year 2008-09 levels in the following high-demand fields: Biological and biomedical sciences; computer and information sciences; education with specializations in special education, math, or science; engineering and engineering technology; health professions and related clinical sciences; and mathematics and statistics.

(3) Appropriations in section 609 of this act reflect reductions to the state need grant. Western Washington University shall use locally held funds to provide a commensurate amount of aid to eligible students who would have received state need grant payments through the appropriations in section 609 of this act.

By September 1, 2011, Western Washington University shall report to the appropriate legislative fiscal and policy committees regarding the implementation of this section. The report shall provide detail on the number of students provided aid under this subsection and the amount of aid provided to each student.

Sec. 1507. 2011 c 5 s 607 (uncodified) is amended to read as follows:

FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

General Fund--State Appropriation (FY 2010) $631,804,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$603,296,000~~))
$603,511,000
General Fund--Federal Appropriation $17,171,000
Education Legacy Trust Account--State Appropriation $95,035,000
Opportunity Express Account--State Appropriation $18,556,000
TOTAL APPROPRIATION . . . . . ((~~$1,365,862,000~~))
$1,366,077,000

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

(1) $28,761,000 of the general fund--state appropriation for fiscal year 2010, $28,761,000 of the general fund--state appropriation for fiscal year 2011, and $17,556,000 of the opportunity express account--state appropriation are provided solely as special funds for training and related support services, including financial aid, as specified in RCW 28C.04.390. Funding is provided to support at least 6,200 full-time equivalent students in fiscal year 2010 and at least 9,984 full-time equivalent students in fiscal year 2011.

(2) $2,725,000 of the general fund--state appropriation for fiscal year 2010 and $2,725,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for administration and customized training contracts through the job skills program. The state board shall make an annual report by January 1st of each year to the governor and to the appropriate policy and fiscal committees of the legislature

regarding implementation of this section, listing the scope of grant awards, the distribution of funds by educational sector and region of the state, and the results of the partnerships supported by these funds.

(3) Of the amounts appropriated in this section, $3,500,000 is provided solely for the student achievement initiative.

(4) When implementing the appropriations in this section, the state board and the trustees of the individual community and technical colleges shall minimize impact on academic programs, maximize reductions in administration, and shall at least maintain, and endeavor to increase, enrollment opportunities and degree and certificate production in high employer-demand fields of study at their academic year 2008-09 levels.

(5) Within the board's 2009-11 biennial budget allocation to Bellevue College, and pursuant to RCW 28B.50.810, the college may implement, on a tuition and fee basis, an additional applied baccalaureate degree in interior design. This program is intended to provide students with additional opportunities to earn baccalaureate degrees and to respond to emerging job and economic growth opportunities. The program reviews and approval decisions required by RCW 28B.50.810 (3) and (4) shall be completed by July 31, 2009, so that the degree may be offered during the 2009-10 academic year.

(6) In accordance with the recommendations of the higher education coordinating board's 2008 *Kitsap region higher education center study,* the state board shall facilitate development of university centers by allocating thirty 2-year and 4-year partnership full-time enrollment equivalencies to Olympic College and ten 2-year and 4-year partnership full-time enrollment equivalencies to Peninsula College. The colleges shall use the allocations to establish a partnership with a baccalaureate university or universities for delivery of upper division degree programs in the Kitsap region. The Olympic and Peninsula Community College districts shall additionally work together to ensure coordinated development of these and other future baccalaureate opportunities through coordinated needs assessment, planning, and scheduling.

(7) By September 1, 2009, the state board for community and technical colleges, the higher education coordinating board, and the office of financial management shall review and to the extent necessary

revise current 2009-11 performance measures and targets based on the level of state, tuition, and other resources appropriated or authorized in this act and in the omnibus 2009-11 omnibus capital budget act. The boards and the office of financial management shall additionally develop new performance targets for the 2011-13 and the 2013-15 biennia that will guide and measure the community and technical college system's contributions to achievement of the state's higher education master plan goals.

(8) $2,250,000 of the general fund--state appropriation for fiscal year 2010 and $2,250,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the hospital employee education and training program under which labor, management, and college partnerships develop or expand and evaluate training programs for incumbent hospital workers that lead to careers in nursing and other high-demand health care occupations. The board shall report student progress, outcomes, and costs to the relevant fiscal and policy committees of the legislature by November 2009 and November 2010.

(9) Community and technical colleges are not required to send mass mailings of course catalogs to residents of their districts. Community and technical colleges shall consider lower cost alternatives, such as mailing postcards or brochures that direct individuals to online information and other ways of acquiring print catalogs.

(10) $1,112,000 of the general fund--state appropriation for fiscal year 2010 and $1,113,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the state board to enhance online distance learning and open courseware technology. Funds shall be used to support open courseware, open textbooks, open licenses to increase access, affordability and quality of courses in higher education. The state board for community and technical colleges shall select the most appropriate courses to support open courseware based solely upon criteria of maximizing the value of instruction and reducing costs of textbooks and other instructional materials for the greatest number of students in higher education, regardless of the type of institution those students attend.

(11) $158,000 of the general fund--state appropriation for fiscal year 2011 is provided solely to implement House Bill No. 2694 (B.S. in nursing/university center). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(12)(a) The labor education and research center is transferred from The Evergreen State College to south Seattle community college and shall begin operations on July 1, 2010.

(b) At least $164,000 of the general fund--state appropriation for fiscal year 2011 shall be expended on the labor education and research center to provide outreach programs and direct educational and research services to labor unions and worker-centered organizations.

(13) $1,000,000 of the opportunity express account--state appropriation is provided solely for the opportunity grant program as specified in RCW 28B.50.271.

(14) $1,750,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the state board for community and technical colleges to contract with the aerospace training and research center on Paine field in Everett, Washington to support industry-identified training in the aerospace sector.

(15) Sufficient amounts are provided in this section to implement the food stamp employment and training program under Second Substitute House Bill No. 2782 (security lifeline act).

(16) Appropriations in section 609 of this act reflect reductions to the state need grant. The state board for community and technical colleges shall use locally held funds to provide a commensurate amount of aid to eligible students who would have received state need grant payments through the appropriations in section 609 of this act.

By September 1, 2011, the state board for community and technical colleges shall report to the appropriate legislative fiscal and policy committees regarding the implementation of this section. The report shall provide detail on the number of students provided aid under this subsection and the amount of aid provided to each student.

Sec. 1508. 2011 c 5 s 608 (uncodified) is amended to read as follows:

FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND ADMINISTRATION

General Fund--State Appropriation (FY 2010) $6,402,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$5,183,000~~))
<u>$5,339,000</u>
General Fund--Federal Appropriation $4,332,000
TOTAL APPROPRIATION . . . . . ((~~$15,917,000~~))

$16,073,000

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

(1) Within the funds appropriated in this section, the higher education coordinating board shall complete a system design planning project that defines how the current higher education delivery system can be shaped and expanded over the next ten years to best meet the needs of Washington citizens and businesses for high quality and accessible post-secondary education. The board shall propose policies and specific, fiscally feasible implementation recommendations to accomplish the goals established in the *2008 strategic master plan for higher education*. The project shall specifically address the roles, missions, and instructional delivery systems both of the existing and of proposed new components of the higher education system; the extent to which specific academic programs should be expanded, consolidated, or discontinued and how that would be accomplished; the utilization of innovative instructional delivery systems and pedagogies to reach both traditional and nontraditional students; and opportunities to consolidate institutional administrative functions. The study recommendations shall also address the proposed location, role, mission, academic program, and governance of any recommended new campus, institution, or university center. During the planning process, the board shall inform and actively involve the chairs from the senate and house of representatives committees on higher education, or their designees. The board shall report the findings and recommendations of this system design planning project to the governor and the appropriate committees of the legislature by December 1, 2009.

(2) $146,000 of the general fund--state appropriation for fiscal year 2010 and $65,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the higher education coordinating board to administer Engrossed Second Substitute House Bill No. 2021 (revitalizing student financial aid). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(3) $167,000 of the general fund--state appropriation for fiscal year 2010 and $67,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement Engrossed Second

Substitute House Bill No. 1946 (regarding higher education online technology). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(4) $350,000 of the general fund--state appropriation for fiscal year 2010 and $200,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the higher education coordinating board to contract with the Pacific Northwest university of health sciences to conduct training and education of health care professionals to promote osteopathic physician services in rural and underserved areas of the state.

Sec. 1509. 2011 c 5 s 609 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) $188,332,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$96,833,000~~))
$182,683,000
General Fund--Federal Appropriation $13,129,000
Education Legacy Trust Account--State
Appropriation . . . . . ((~~$116,060,000~~))
$30,210,000
Opportunity Pathways Account--State Appropriation $73,500,000
TOTAL APPROPRIATION $487,854,000

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

(1) $178,726,000 of the general fund--state appropriation for fiscal year 2010, $95,187,000 of the general fund--state appropriation for fiscal year 2011, $109,188,000 of the education legacy trust account appropriation, $73,500,000 of the opportunity pathways appropriation, and $2,545,000 of the general fund--federal appropriation are provided solely for student financial aid payments under the state need grant; the state work study program including up to a four percent administrative allowance; the Washington scholars program; and the Washington award for vocational excellence. State need grant and the Washington award for vocational excellence shall be adjusted to offset the cost of the resident undergraduate tuition

increases, limited to those tuition increases authorized under this act. The Washington scholars program shall provide awards sufficient to offset ninety percent of the total tuition and fee award.

(2)(a) Within the funds appropriated in this section, eligibility for the state need grant shall include students with family incomes at or below 70 percent of the state median family income (MFI), adjusted for family size. Awards for all students shall be adjusted by the estimated amount by which Pell grant increases exceed projected increases in the noninstructional costs of attendance. Awards for students with incomes between 51 and 70 percent of the state median shall be prorated at the following percentages of the award amount granted to those with incomes below 51 percent of the MFI: 70 percent for students with family incomes between 51 and 55 percent MFI; 65 percent for students with family incomes between 56 and 60 percent MFI; 60 percent for students with family incomes between 61 and 65 percent MFI; and 50 percent for students with family incomes between 66 and 70 percent MFI.

(b) Grant awards for students at private four-year colleges shall be set at the same level as the student would receive if attending one of the public research universities.

(3) To the maximum extent practicable, the board shall provide state work study subsidies only to resident students during the 2010-11 academic year. Additionally, in order to provide work opportunities to as many resident students as possible, the board is encouraged to increase the proportion of student wages that is to be paid by both proprietary and nonprofit, public, and private employers.

(4) $3,872,000 of the education legacy trust account--state appropriation is provided solely for the passport to college scholarship program pursuant to chapter 28B.117 RCW. The higher education coordinating board shall contract with a college scholarship organization with expertise in managing scholarships for low-income, high-potential students and foster care children and young adults to administer the program. Of the amount in this subsection, $39,000 is provided solely for the higher education coordinating board for administration of the contract and the remaining shall be contracted out to the organization for the following purposes:

(a) $384,000 is provided solely for program administration, and

(b) $3,449,000 is provided solely for student financial aid for up to 151 students and to fund student support services. Funds are provided for student scholarships, provider training, and for incentive payments to the colleges they attend for individualized student support services which may include, but are not limited to, college and career advising, counseling, tutoring, costs incurred for students while school is not in session, personal expenses, health insurance, and emergency services.

(5) $1,250,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the health professional scholarship and loan program. The funds provided in this subsection shall be: (a) Prioritized for health care deliver sites demonstrating a commitment to serving the uninsured; and (b) allocated between loan repayments and scholarships proportional to current program allocations.

(6) For fiscal year 2010 and fiscal year 2011, the board shall defer loan or conditional scholarship repayments to the future teachers conditional scholarship and loan repayment program for up to one year for each participant if the participant has shown evidence of efforts to find a teaching job but has been unable to secure a teaching job per the requirements of the program.

(7) $246,000 of the general fund--state appropriation for fiscal year 2010 and $246,000 of the general fund--state appropriation for fiscal year 2011 are for community scholarship matching grants and its administration. To be eligible for the matching grant, nonprofit groups organized under section 501(c)(3) of the federal internal revenue code must demonstrate they have raised at least $2,000 in new moneys for college scholarships after the effective date of this section. Groups may receive no more than one $2,000 matching grant per year and preference shall be given to groups affiliated with scholarship America. Up to a total of $46,000 per year of the amount appropriated in this section may be awarded to a nonprofit community organization to administer scholarship matching grants, with preference given to an organization affiliated with scholarship America.

(8) $500,000 of the general fund--state appropriation for fiscal year 2010 and $500,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for state need grants provided to students enrolled in three to five credit-bearing quarter credits, or

the equivalent semester credits. Total state expenditures on this program shall not exceed the amounts provided in this subsection.

(9) $2,500,000 of the education legacy trust account--state appropriation is provided solely for the gaining early awareness and readiness for undergraduate programs project.

(10) $75,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for higher education student child care matching grants under chapter 28B.135 RCW.

(11) $200,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for continuation of the leadership 1000 scholarship sponsorship and matching program.

(12) In 2010 and 2011, the board shall continue to designate Washington scholars and scholar-alternates and to recognize them at award ceremonies as provided in RCW 28A.600.150, but state funding is provided for award of only one scholarship per legislative district during the 2010-11 academic year. After the 2010-11 academic year, and as provided in RCW 28B.76.660, the board may distribute grants to these eligible students to the extent that funds are appropriated for this purpose.

(13) Fiscal year 2011 appropriations in this section reflect general fund-state reductions to the state need grant. In implementing these reductions, the board shall reduce state need grant payments to each of the following institutions in the following amounts:

University of Washington $5,658,000
Washington State University $3,718,000
Eastern Washington University $765,000
Central Washington University $705,000
The Evergreen State College $386,000
Western Washington University $1,010,000
State Board for Community and Technical Colleges $13,143,000

If any of these institutions has received state need grant payments in excess of the amount to which it is entitled after application of the reductions in this section, that institution shall remit to the board the amount of the overpayment.

Sec. 1510. 2011 c 5 s 610 (uncodified) is amended to read as follows:

FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD

General Fund--State Appropriation (FY 2010) $1,465,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,353,000~~))
$1,358,000

General Fund--Federal Appropriation . . . . . ((~~$54,020,000~~))
$54,022,000

TOTAL APPROPRIATION . . . . . ((~~$56,838,000~~))
$56,845,000

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

(1) $60,000 of the general fund--state appropriation for fiscal year 2010 and $60,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Second Substitute House Bill No. 2227 (evergreen jobs act). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(2) In 2010 and 2011, the board shall continue to designate recipients of the Washington award for vocational excellence and to recognize them at award ceremonies as provided in RCW 28C.04.535, but state funding is provided for award of only one scholarship per legislative district during the 2010-11 academic year. After the 2010-11 academic year, and as provided in RCW 28B.76.670, the board may distribute grants to these eligible students to the extent that funds are appropriated for this purpose.

Sec. 1511. 2011 c 5 s 612 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF EARLY LEARNING

General Fund--State Appropriation (FY 2010) $60,400,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$19,335,000~~))
$19,302,000

General Fund--Federal Appropriation $266,004,000

Opportunity Pathways Account--State Appropriation $40,000,000

TOTAL APPROPRIATION . . . . . ((~~$385,739,000~~))
$385,706,000

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

(1) $54,878,000 of the general fund--state appropriation for fiscal year 2010 and $14,405,000 of the general fund--state appropriation for fiscal year 2011, and $40,000,000 of the opportunity pathways account appropriation are provided solely for early childhood education and assistance program services. This appropriation temporarily reduces the number of slots for the 2009-11 fiscal biennium for the early childhood education and assistance program. The department shall reduce slots where providers serve both federal headstart and early childhood education and assistance program children, to the greatest extent possible, in order to achieve no reduction of slots across the state. The amounts in this subsection also reflect reductions to the administrative expenditures for the early childhood education and assistance program. The department shall reduce administrative expenditures, to the greatest extent possible, prior to reducing early childhood education and assistance program slots. Of these amounts, $10,284,000 is a portion of the biennial amount of state matching dollars required to receive federal child care and development fund grant dollars.

(2) $1,000,000 of the general fund--federal appropriation is provided to the department to contract with Thrive by Five, Washington for a pilot project for a quality rating and improvement system to provide parents with information they need to choose quality child care and education programs and to improve the quality of early care and education programs. The department in collaboration with Thrive by Five shall operate the pilot projects in King, Yakima, Clark, Spokane, and Kitsap counties. The department shall use child care development fund quality money for this purpose.

(3) $425,000 of the general fund--state appropriation for fiscal year 2010, $213,000 of the general fund--state appropriation for fiscal year 2011, and $850,000 of the general fund--federal appropriation are provided solely for child care resource and referral network services. The general fund--federal funding represents moneys from the American recovery and reinvestment act of 2009 (child care development block grant).

(4) $750,000 of the general fund--state appropriation for fiscal year 2010 and $1,500,000 of the general fund--federal appropriation are provided solely for the career and wage ladder program created by

chapter 507, Laws of 2005. The general fund--federal funding represents moneys from the American recovery and reinvestment act of 2009 (child care development block grant).

(5) $50,000 of the general fund--state appropriation for fiscal year 2010 and $50,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to work with stakeholders and the office of the superintendent of public instruction to identify and test a kindergarten assessment process and tools in geographically diverse school districts. School districts may participate in testing the kindergarten assessment process on a voluntary basis. The department shall report to the legislature on the kindergarten assessment process not later than January 15, 2011. Expenditure of amounts provided in this subsection is contingent on receipt of an equal match from private sources. As matching funds are made available, the department may expend the amounts provided in this subsection.

(6) $1,600,000 of the general fund--federal appropriation is provided solely for the department to fund programs to improve the quality of infant and toddler child care through training, technical assistance, and child care consultation.

(7) $200,000 of the general fund--state appropriation for fiscal year 2010 and $200,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to develop and provide culturally relevant supports for parents, family, and other caregivers.

(8) The legislature notes that the department of early learning is developing a plan for improving child care licensing and is consulting, as practicable, with parents, licensed child care providers, and stakeholders from the child care community. The plan shall outline the processes and specify the resources necessary for improvements such as continuing licenses, child care licensing technology, and weighted child care regulations, including development of risk-based decision making models and inclusive, evidence-based rule making. The department shall submit to the appropriate committees of the legislature a plan by January 15, 2011.

(9) The department is the lead agency for and recipient of the federal child care and development fund grant. Amounts within this grant shall be used to fund child care licensing, quality initiatives, agency administration, and other costs associated with child care

subsidies. The department shall transfer a portion of this grant to the department of social and health services to partially fund the child care subsidies paid by the department of social and health services on behalf of the department of early learning.

(10) The department shall use child care development fund money to satisfy the federal audit requirement of the improper payments act (IPIA) of 2002. In accordance with the IPIA's rules, the money spent on the audits will not count against the five percent state limit on administrative expenditures.

(11) Within available amounts, the department in consultation with the office of financial management and the department of social and health services shall report quarterly enrollments and active caseload for the working connections child care program to the legislative fiscal committees. The report shall also identify the number of cases participating in both temporary assistance for needy families and working connections child care.

(12) The appropriations in this section reflect reductions in the appropriations for the department's administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or program.

(13) $500,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the department to contract with the private-public partnership established in chapter 43.215 RCW for home visitation programs. Of this amount, $200,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for expenditure into the home visiting services account created in Part IX of this act to be used for contracts for home visitation with the private-public partnership.

(14) In accordance to RCW 43.215.255(2) and 43.135.055, the department is authorized to increase child care center licensure fees by fifty-two dollars for the first twelve children and an additional four dollars per additional child in fiscal year 2011 for costs to the department for the licensure activity, including costs of necessary inspection.

(15) In accordance with RCW 43.135.055, the department of early

learning is authorized to adopt and increase the fees set forth in and previously authorized in section 3, chapter 231, Laws of 2010.

(16) As of January 31, 2011, the department may not adopt, enforce, or implement any rules or policies restricting the eligibility of consumers for child care subsidy benefits to a countable income level below one hundred seventy-five percent of the federal poverty guidelines.

Sec. 1512. 2011 c 5 s 613 (uncodified) is amended to read as follows:

FOR THE STATE SCHOOL FOR THE BLIND

General Fund--State Appropriation (FY 2010) $5,902,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$5,509,000~~))
$5,506,000
General Fund--Private/Local Appropriation $1,942,000
TOTAL APPROPRIATION . . . . . ((~~$13,353,000~~))
$13,350,000

The appropriations in this section are subject to the following conditions and limitations: $271,000 of the general fund--private/local appropriation is provided solely for the school for the blind to offer short course programs, allowing students the opportunity to leave their home schools for short periods and receive intensive training. The school for the blind shall provide this service to the extent that it is funded by contracts with school districts and educational services districts.

Sec. 1513. 2011 c 5 s 614 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS

General Fund--State Appropriation (FY 2010) $8,593,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$8,230,000~~))
$8,226,000
General Fund--Private/Local Appropriation $526,000
TOTAL APPROPRIATION . . . . . ((~~$17,349,000~~))
$17,345,000

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

(1) $210,000 of the general fund--private/local appropriation is provided solely for the operation of the shared reading video outreach program. The school for the deaf shall provide this service to the extent it is funded by contracts with school districts and educational service districts.

(2) $25,000 of the general fund--state appropriation for fiscal year 2010 and $25,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Second Substitute House Bill No. 1879 (deaf and hard of hearing). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

Sec. 1514. 2011 c 5 s 615 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE ARTS COMMISSION

General Fund--State Appropriation (FY 2010) $1,844,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,230,000~~))
$1,228,000

General Fund--Federal Appropriation . . . . . ((~~$1,944,000~~))
$2,107,000

General Fund--Private/Local Appropriation $1,052,000

TOTAL APPROPRIATION . . . . . ((~~$6,070,000~~))
$6,231,000

The appropriations in this section are subject to the following conditions and limitations: It is the intent of the legislature that the reductions in appropriations in this section shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs. The agency shall, to the greatest extent possible, reduce spending in those areas that shall have the least impact on implementing its mission.

Sec. 1515. 2011 c 5 s 616 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE HISTORICAL SOCIETY

General Fund--State Appropriation (FY 2010) $2,592,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$2,381,000~~))
$2,379,000

TOTAL APPROPRIATION . . . . . ((~~$4,973,000~~))
$4,971,000

The appropriations in this section are subject to the following conditions and limitations: It is the intent of the legislature that the reductions in appropriations in this section shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs. The agency shall, to the greatest extent possible, reduce spending in those areas that shall have the least impact on implementing its mission.

Sec. 1516. 2011 c 5 s 617 (uncodified) is amended to read as follows:

FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY

General Fund--State Appropriation (FY 2010) $1,612,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,490,000~~))
$1,489,000
TOTAL APPROPRIATION . . . . . ((~~$3,102,000~~))
$3,101,000

The appropriations in this section are subject to the following conditions and limitations: It is the intent of the legislature that the reductions in appropriations in this section shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs. The agency shall, to the greatest extent possible, reduce spending in those areas that shall have the least impact on implementing its mission.

(End of part)

PART XVI
SPECIAL APPROPRIATIONS

Sec. 1601. 2010 1st sp.s. c 37 s 701 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) $842,590,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$894,284,000~~))
$878,400,000
State Building Construction Account--State
Appropriation $11,707,000
Columbia River Basin Water Supply Development Account--
State Appropriation $117,000
Hood Canal Aquatic Rehabilitation Bond Account--State
Appropriation $11,000
State Taxable Building Construction Account--State
Appropriation $1,136,000
Gardner-Evans Higher Education Construction Account--
State Appropriation $260,000
Debt-Limit Reimbursable Bond Retirement Account--State
Appropriation $2,612,000
TOTAL APPROPRIATION . . . . . .((~~$1,752,717,000~~))
$1,736,833,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for expenditure into the debt-limit general fund bond retirement account. The entire general fund--state appropriation for fiscal year 2010 shall be expended into the debt-limit general fund bond retirement account by June 30, 2010.

Sec. 1602. 2010 1st sp.s. c 37 s 702 (uncodified) is amended to read as follows:

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

BE REIMBURSED AS PRESCRIBED BY STATUTE

General Fund--State Appropriation (FY 2010) $26,436,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$27,773,000~~))
$27,709,000

School Construction and Skill Centers Building
Account--State Appropriation $477,000

Nondebt-Limit Reimbursable Bond Retirement Account--
State Appropriation . . . . . ((~~$140,872,000~~))
$135,872,000

TOTAL APPROPRIATION . . . . . ((~~$195,558,000~~))
$190,494,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for expenditure into the nondebt-limit general fund bond retirement account. The entire general fund--state appropriation for fiscal year 2010 shall be expended into the nondebt-limit general fund bond retirement account by June 30, 2010.

Sec. 1603. 2010 1st sp.s. c 37 s 703 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES

General Fund--State Appropriation (FY 2010) $1,357,000

General Fund--State Appropriation (FY 2011) $1,357,000

State Building Construction Account--State
Appropriation $1,273,000

Columbia River Basin Water Supply Development
Account--State Appropriation . . . . . ((~~$9,000~~))
$13,000

Hood Canal Aquatic Rehabilitation Bond Account--
State Appropriation $1,000

State Taxable Building Construction Account--State
Appropriation . . . . . ((~~$72,000~~))
$131,000

Gardner-Evans Higher Education Construction
Account--State Appropriation $18,000

School Construction and Skill Centers Building
Account--State Appropriation . . . . . ((~~$30,000~~))

$51,000

TOTAL APPROPRIATION . . . . . ((~~$4,117,000~~))
$4,201,000

Sec. 1604. 2010 1st sp.s. c 37 s 709 (uncodified) is amended to read as follows:

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

(1) Reimbursement of criminal defendants acquitted on the basis of self-defense, pursuant to RCW 9A.16.110:

(a) Gerald S. Morrow, claim number 99970006 . . . . . $20,567
(b) Darrell R. Baumgart, claim number 99970007 . . . . . $4,528
(c) William Davis, claim number 99970008 . . . . . $8,093
(d) Gene T. Strader, claim number 99970009 . . . . . $33,875
(e) Cecilio Cortez, claim number 99970012 . . . . . $17,055
(f) Alexander D. Coble, claim number 99970013 . . . . . $302,110
(g) James W. Jolly, claim number 99970017 . . . . . $28,884
(h) James Jay Olsen, claim number 99970018 . . . . . $97,220
(i) Todd E. Miller, claim number 99970019 . . . . . $6,957
(j) Sean S. DeHart, claim number 99970021 . . . . . $52,062
(k) Thomas L. Raglin, Jr., claim number 99970022 . . . . . $4,360
(l) Matthew Smitham, claim number 99970016 . . . . . $8,100
(m) John R. Frederick, claim number 99970020 . . . . . $7,719
(n) Justin C. Federmeyer, claim number 99970023 . . . . . $29,728
(o) David R. Palmer, claim number 99970024 . . . . . $4,250
(p) Ian K. Berghoffer, claim number 99970026 . . . . . $33,455
(q) Darryl L. Koenen, claim number 99970027 . . . . . $23,077
(r) Lee J. Stites, claim number 99970028 . . . . . $7,502
(s) Bobby G. Ewing, claim number 99970029 . . . . . $51,093
(t) Dylan Friesz, claim number 99970030 . . . . . $10,200
(u) Kevin L. Lund, claim number 99970031 . . . . . $11,402
(v) Rodney C. Price, claim number 99970033 . . . . . $11,250
(w) Matthew S. Lovacs, claim number 99970034 . . . . . $25,700
(x) Christopher A. Peeler, claim number 99970035 . . . . . $47,923

(y) Dwayne Myatt-Perez, claim number 99970036 . . . . . $70,000
(z) Roland L. Savage, claim number 99970037 . . . . . $48,752
(aa) Horace G. Graham, claim number 99970038 . . . . . $7,674
(bb) Kenneth L. Werner, claim number 99900039 . . . . . $33,162
(cc) Mark A. Peterson, claim number 99970040 . . . . . $61,940
(dd) Phillip C. Sly, claim number 99970042 . . . . . $3,349
(ee) Sandra Colebourn, claim number 99970043 . . . . . $10,615
(ff) Joseph B. Wiggins, claim number 99970044 . . . . . $3,500

(2) Payment of death benefit, pursuant to RCW 41.04.017: Estate of Erik Anderson, claim number 99970014 . . . . . $150,000

Sec. 1605. 2010 1st sp.s. c 37 s 710 (uncodified) is amended to read as follows:

STRATEGIC PRINTING STRATEGY. (1) The office of financial management shall work with the appropriate state agencies to generate savings of $1,500,000 from the state general fund that can arise from a strategic printing strategy. ((~~From appropriations in this act, the office of financial management shall reduce general fund--state allotments by $1,500,000 for fiscal year 2011 to reflect the savings from the strategic printing strategy. The allotment reductions shall be placed in unallotted status and remain unexpended.~~))

(2) The office of financial management, with the assistance of the department of information services and the department of printing, shall conduct an analysis of the state's printing processes to identify the most reasonable strategies of attaining a statewide savings target of $1,500,000 without affecting direct program activities. The strategies shall include, but not be limited to, standardizing envelopes, utilizing print management, and streamlining processes. Pursuant to RCW 41.06.142(3), the strategies shall also include, on the approval of the office of financial management, pilot projects to authorize state agencies and institutions to directly acquire printing services. The analysis shall identify savings by agency and fund that will result from the implementation of a strategic printing strategy. The results of this analysis shall then be provided to the director of financial management and appropriate legislative committees by July 1, 2010. The director shall use the analysis as the basis to achieve the savings identified in subsection (1) of this section.

Sec. 1606. 2011 c 5 s 703 (uncodified) is amended to read as follows:

INFORMATION TECHNOLOGY

Pursuant to section 11, chapter 282, Laws of 2010 (state government technology use), the office of financial management shall work with the appropriate state agencies to generate savings of $30,000,000 from technology efficiencies from the state general fund. From appropriations in this act, the office of financial management shall reduce general fund--state allotments by ((~~$24,841,000~~)) $16,209,000 for fiscal year 2011. The office of financial management shall, utilizing existing fund balance, reduce the data processing revolving account rates in an amount to reflect up to half of the reductions identified in this section. The office of financial management may use savings or existing fund balances from information technology accounts to achieve savings in this section. The allotment reductions shall be placed in unallotted status and remain unexpended. Nothing in this section is intended to impact revenue collection efforts by the department of revenue.

Sec. 1607. 2009 c 564 s 719 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--O'BRIEN BUILDING IMPROVEMENT

General Fund--State Appropriation (FY 2010) $1,435,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,435,000~~)) $1,884,000

TOTAL APPROPRIATION . . . . . ((~~$2,870,000~~)) $3,319,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the general administration services account for payment of principal, interest, and financing expenses associated with the certificate of participation for the O'Brien building improvement, project number 20081007.

(End of part)

PART XVII
OTHER TRANSFERS AND APPROPRIATIONS

Sec. 1701. 2010 1st sp.s. c 37 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance premium distributions . . . . . ((~~$7,572,000~~)) $7,888,000

General Fund Appropriation for public utility district excise tax distributions . . . . . ((~~$47,342,000~~)) $45,125,000

General Fund Appropriation for prosecuting attorney distributions . . . . . ((~~$6,281,000~~)) $5,804,000

General Fund Appropriation for boating safety and education distributions . . . . . ((~~$4,854,000~~)) $3,954,000

General Fund Appropriation for other tax distributions . . . . . ((~~$50,000~~)) $55,000

General Fund Appropriation for habitat conservation program distributions . . . . . ((~~$3,000,000~~)) $2,642,000

Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies $2,544,000

Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution $170,000

Timber Tax Distribution Account Appropriation for distribution to "timber" counties . . . . . ((~~$36,651,000~~)) $31,519,000

County Criminal Justice Assistance Appropriation . . . ((~~$68,528,000~~)) $66,216,000

Municipal Criminal Justice Assistance Appropriation . . . . . ((~~$27,175,000~~)) $25,510,000

City-County Assistance Account Appropriation for local government financial assistance distribution . . . ((~~$27,366,000~~)) $23,845,000

Liquor Excise Tax Account Appropriation for liquor excise tax distribution . . . . . ((~~$58,268,000~~)) $58,822,000

Streamline Sales and Use Tax Account Appropriation for distribution to local taxing jurisdictions to mitigate the unintended revenue redistribution effect of the sourcing law changes . . . . . ((~~$50,056,000~~)) $51,535,000

Columbia River Water Delivery Account Appropriation for the Confederated Tribes of the Colville Reservation . . . . . ((~~$7,315,000~~)) $7,257,000

Columbia River Water Delivery Account Appropriation for the Spokane Tribe of Indians . . . . . ((~~$4,644,000~~)) $4,704,000

Liquor Revolving Account Appropriation for liquor profits distribution . . . . . ((~~$68,741,000~~)) $64,670,000

Liquor Revolving Account Appropriation for additional liquor profits distribution to local governments . . . $18,677,000

TOTAL APPROPRIATION . . . . . ((~~$439,234,000~~)) $420,937,000

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.

Sec. 1702. 2009 c 564 s 802 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--FOR THE COUNTY CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driver Safety Account Appropriation . . . . . ((~~$2,351,000~~)) $2,467,000

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 2009-11 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).

Sec. 1703. 2009 c 564 s 803 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--FOR THE MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driver Safety Account Appropriation . . . . . ((~~$1,543,000~~)) $1,645,000

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 2009-11 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. 1704.** 2010 1st sp.s. c 37 s 802 (uncodified) is repealed.

Sec. 1705. 2011 c 5 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--TRANSFERS

State Treasurer's Service Account: For transfer to the state general fund, $16,400,000 for fiscal year 2010 and $29,400,000 for fiscal year 2011 . . . . . $45,800,000

Waste Reduction, Recycling and Litter Control Account: For transfer to the state general fund, $3,000,000 for fiscal year 2010 and $3,000,000 for fiscal year 2011 . . . . . $6,000,000

State Toxics Control Account: For transfer to the state general fund, $15,340,000 for fiscal year 2010 and $37,780,000 for fiscal year 2011 . . . . . $53,120,000

Local Toxics Control Account: For transfer to the state general fund, $37,060,000 for fiscal year 2010 and $65,759,000 for fiscal year 2011 . . . . . .$102,819,000

Education Construction Account: For transfer to the state general fund, $105,228,000 for fiscal year 2010 and $106,451,000 for fiscal year 2011 . . . . . $211,679,000

Aquatics Lands Enhancement Account: For transfer to the state general fund, $8,520,000 for fiscal year 2010 and $12,550,000 for fiscal year 2011 . . . . .$21,070,000

Drinking Water Assistance Account: For transfer to the drinking water assistance repayment account $28,600,000

Economic Development Strategic Reserve Account: For transfer to the state general fund, $2,500,000 for fiscal year 2010 and $3,900,000 for fiscal year 2011 . . . . . $6,400,000

Tobacco Settlement Account: For transfer to the state general fund, in an amount not to exceed by more than $26,000,000 the actual amount of the annual payment to the tobacco settlement account $204,098,000

Tobacco Settlement Account: For transfer to the life sciences discovery fund, in an amount not to exceed $26,000,000 less than the actual amount of the strategic contribution supplemental payment to the tobacco settlement account $39,170,000

General Fund: For transfer to the streamline sales and

use tax account, $24,274,000 for fiscal year 2010 and $24,182,000 for fiscal year 2011 . . . . . $48,456,000

State Convention and Trade Center Account: For transfer to the state convention and trade center operations account, $1,000,000 for fiscal year 2010 and $3,100,000 for fiscal year 2011 . . . . . $4,100,000

Tobacco Prevention and Control Account: For transfer to the state general fund, $1,961,000 for fiscal year 2010 and $3,000,000 for fiscal year 2011 . . . . . $4,961,000

Nisqually Earthquake Account: For transfer to the disaster response account for fiscal year 2010 . . . . . $500,000

Judicial Information Systems Account: For transfer to the state general fund, $3,250,000 for fiscal year 2010 and $3,250,000 for fiscal year 2011 . . . . . $6,500,000

Department of Retirement Systems Expense Account: For transfer to the state general fund, $1,000,000 for fiscal year 2010 and $1,500,000 for fiscal year 2011 . . . . . $2,500,000

State Emergency Water Projects Account: For transfer to the state general fund, $390,000 for fiscal year 2011 . . . . . $390,000

The Charitable, Educational, Penal, and Reformatory Institutions Account: For transfer to the state general fund, $5,550,000 for fiscal year 2010 and $4,450,000 for fiscal year 2011 . . . . . $10,000,000

Energy Freedom Account: For transfer to the state general fund, $4,038,000 for fiscal year 2010 and $2,978,000 for fiscal year 2011 . . . . . $7,016,000

Thurston County Capital Facilities Account: For transfer to the state general fund, $8,604,000 for fiscal year 2010 and $5,156,000 for fiscal year 2011 . . . . . $13,760,000

Public Works Assistance Account: For transfer to the state general fund, $279,640,000 for fiscal year 2010 and ((~~$229,560,000~~)) $39,744,000 for fiscal year 2011 . . . . . ((~~$509,200,000~~)) $319,384,000

Budget Stabilization Account: For transfer to the

state general fund for fiscal year 2010 . . . . . $45,130,000

Liquor Revolving Account: For transfer to the state general fund, $31,000,000 for fiscal year 2010 and $31,000,000 for fiscal year 2011 . . . . . $62,000,000

Public Works Assistance Account: For transfer to the city-county assistance account, $5,000,000 on July 1, 2009, and $5,000,000 on July 1, 2010 . . . . . $10,000,000

Public Works Assistance Account: For transfer to the drinking water assistance account, $6,930,000 for fiscal year 2010 and $4,000,000 for fiscal year 2011 . . . . . $10,930,000

Shared Game Lottery Account: For transfer to the education legacy trust account, $3,600,000 for fiscal year 2010 and $2,400,000 for fiscal year 2011 . . . . . $6,000,000

State Lottery Account: For transfer to the education legacy trust account, $9,500,000 for fiscal year 2010 and $9,500,000 for fiscal year 2011 . . . . . $19,000,000

College Faculty Awards Trust Fund: For transfer to the state general fund for fiscal year 2010, an amount not to exceed the actual cash balance of the fund and $1,957,000 for fiscal year 2011 . . . . . $5,957,000

Washington Distinguished Professorship Trust Fund: For transfer to the state general fund for fiscal year 2010, an amount not to exceed the actual cash balance of the fund and $2,966,000 for fiscal year 2011 . . . . . $8,966,000

Washington Graduate Fellowship Trust Account: For transfer to the state general fund for fiscal year 2010, an amount not to exceed the actual cash balance of the fund and $1,008,000 for fiscal year 2011 . . . . . $3,008,000

GET Ready for Math and Science Scholarship Account: For transfer to the state general fund for fiscal year 2010, an amount not to exceed the actual cash balance not comprised of or needed to match private contributions $1,800,000

Financial Services Regulation Account: For transfer

to the state general fund, $2,000,000 for fiscal year 2010 and $7,000,000 for fiscal year 2011 . . . . . .$9,000,000

Data Processing Revolving Fund: For transfer to the state general fund, $5,632,000 for fiscal year 2010 and $4,159,000 for fiscal year 2011 . . . . . .$9,791,000

Public Service Revolving Account: For transfer to the state general fund, $8,000,000 for fiscal year 2010 and $7,000,000 for fiscal year 2011 . . . . . $15,000,000

Water Quality Capital Account: For transfer to the state general fund, $278,000 for fiscal year 2011 . . . . .$278,000

Performance Audits of Government Account: For transfer to the state general fund, $10,000,000 for fiscal year 2010 and $7,000,000 for fiscal year 2011 . . . . . $17,000,000

Job Development Account: For transfer to the state general fund, $20,930,000 for fiscal year 2010 . . . . . .$20,930,000

Savings Incentive Account: For transfer to the state general fund, $10,117,000 for fiscal year 2010 and $32,075,000 for fiscal year 2011 . . . . . $42,192,000

Education Savings Account: For transfer to the state general fund, $90,690,000 for fiscal year 2010 and $53,384,000 for fiscal year 2011 . . . . . $144,074,000

Cleanup Settlement Account: For transfer to the state efficiency and restructuring account for fiscal year 2011 . . . . . $39,480,000

Disaster Response Account: For transfer to the state drought preparedness account, $4,000,000 for fiscal year 2010 . . . . . .$4,000,000

Washington State Convention and Trade Center Account: For transfer to the state general fund, $10,000,000 for fiscal year 2011. The transfer in this section shall occur on June 30, 2011, only if by that date the Washington state convention and trade center is not transferred to a public facilities district pursuant to Substitute Senate Bill No. 6889

(convention and trade center) $10,000,000

Institutional Welfare/Betterment Account: For transfer to the state general fund, $2,000,000 for fiscal year 2010 and $2,000,000 for fiscal year 2011 . . . . . .$4,000,000

Future Teacher Conditional Scholarship Account: For transfer to the state general fund, $2,150,000 for fiscal year 2010 and $2,150,000 for fiscal year 2011 . . . . . $4,300,000

Fingerprint Identification Account: For transfer to the state general fund, $800,000 for fiscal year 2011 . . . . . $800,000

Prevent or Reduce Owner-Occupied Foreclosure Program Account: For transfer to the financial education public-private partnership account for fiscal year 2010, an amount not to exceed the actual cash balance of the fund as of June 30, 2010 . . . . . $300,000

Nisqually Earthquake Account: For transfer to the state general fund for fiscal year 2011 . . . . . .$696,000

Disaster Response Account: For transfer to the state general fund for fiscal year 2011 . . . . . $14,500,000

Washington Auto Theft Prevention Account: For transfer to the state general fund, $1,500,000 for fiscal year 2011 . . . . . .$1,500,000

Tourism Enterprise Account: For transfer to the state general fund, $590,000 for fiscal year 2011 . . . . . $590,000

Tourism Development and Promotion Account: For transfer to the state general fund, $205,000 for fiscal year 2011 . . . . . .$205,000

Life Sciences Discovery Fund: For transfer to the basic health plan stabilization account $6,000,000

Life Sciences Discovery Fund: For transfer to the state general fund for fiscal year 2011 . . . . . .$2,200,000

Industrial Insurance Premium Refund Account: For transfer to the state general fund, $4,500,000 for fiscal year 2011 . . . . . .$4,500,000

Distressed County Assistance Account: For transfer to the state general fund, $205,000 for

fiscal year 2011 . . . . . $ 205,000

State Drought Preparedness Account: For transfer to the state general fund, $4,000,000 for fiscal year 2011 . . . . . $4,000,000

Freshwater Aquatic Algae Control Account: For transfer to the state general fund, $400,000 for fiscal year 2011 . . . . . .$400,000

Freshwater Aquatic Weeds Account: For transfer to the state general fund, $300,000 for fiscal year 2011 . . . . . $300,000

Liquor Control Board Construction and Maintenance Account: For transfer to the state general fund for fiscal year 2011 . . . . . .$3,000,000

Insurance Commissioner's Regulatory Account: For transfer to the state general fund, for fiscal year 2011 . . . . . $2,300,000

Natural Resources Real Property Replacement Account: For transfer to the state general fund, for fiscal year 2011 . . . . . $312,000

Resource Management Cost Account: For transfer to the state general fund, for fiscal year 2011 . . . . . $312,000

(End of Part)

PART XVIII
MISCELLANEOUS

Sec. 1801. RCW 48.02.190 and 2009 c 161 s 1 are each amended to read as follows:

(1) As used in this section:

(a) "Organization" means every insurer, as defined in RCW 48.01.050, having a certificate of authority to do business in this state, every health care service contractor, as defined in RCW 48.44.010, every health maintenance organization, as defined in RCW 48.46.020, or self-funded multiple employer welfare arrangement, as defined in RCW 48.125.010, registered to do business in this state. "Class one" organizations shall consist of all insurers as defined in RCW 48.01.050. "Class two" organizations shall consist of all organizations registered under provisions of chapters 48.44 and 48.46 RCW. "Class three" organizations shall consist of self-funded multiple employer welfare arrangements as defined in RCW 48.125.010.

(b)(i) "Receipts" means (A) net direct premiums consisting of direct gross premiums, as defined in RCW 48.18.170, paid for insurance written or renewed upon risks or property resident, situated, or to be performed in this state, less return premiums and premiums on policies not taken, dividends paid or credited to policyholders on direct business, and premiums received from policies or contracts issued in connection with qualified plans as defined in RCW 48.14.021, and (B) prepayments to health care service contractors, as defined in RCW 48.44.010, health maintenance organizations, as defined in RCW 48.46.020, or participant contributions to self-funded multiple employer welfare arrangements, as defined in RCW 48.125.010, less experience rating credits, dividends, prepayments returned to subscribers, and payments for contracts not taken.

(ii) Participant contributions, under chapter 48.125 RCW, used to determine the receipts in this state under this section shall be determined in the same manner as premiums taxable in this state are determined under RCW 48.14.090.

(c) "Regulatory surcharge" means the fees imposed by this section.

(2) The annual cost of operating the office of insurance commissioner shall be determined by legislative appropriation. A pro

rata share of the cost shall be charged to all organizations as a regulatory surcharge. Each class of organization shall contribute a sufficient amount to the insurance commissioner's regulatory account to pay the reasonable costs, including overhead, of regulating that class of organization.

(3) The regulatory surcharge shall be calculated separately for each class of organization. The regulatory surcharge collected from each organization shall be that portion of the cost of operating the insurance commissioner's office, for that class of organization, for the ensuing fiscal year that is represented by the organization's portion of the receipts collected or received by all organizations within that class on business in this state during the previous calendar year. However, the regulatory surcharge must not exceed one-eighth of one percent of receipts and the minimum regulatory surcharge shall be one thousand dollars.

(4) The commissioner shall annually, on or before June 1st, calculate and bill each organization for the amount of the regulatory surcharge. The regulatory surcharge shall be due and payable no later than June 15th of each year. However, if the necessary financial records are not available or if the amount of the legislative appropriation is not determined in time to carry out such calculations and bill such regulatory surcharge within the time specified, the commissioner may use the regulatory surcharge factors for the prior year as the basis for the regulatory surcharge and, if necessary, the commissioner may impose supplemental fees to fully and properly charge the organizations. Any organization failing to pay the regulatory surcharges by June 30th shall pay the same penalties as the penalties for failure to pay taxes when due under RCW 48.14.060. The regulatory surcharge required by this section is in addition to all other taxes and fees now imposed or that may be subsequently imposed.

(5) All moneys collected shall be deposited in the insurance commissioner's regulatory account in the state treasury which is hereby created.

(6) Unexpended funds in the insurance commissioner's regulatory account at the close of a fiscal year shall be carried forward in the insurance commissioner's regulatory account to the succeeding fiscal year and shall be used to reduce future regulatory surcharges. <u>During</u>

the 2009-2011 fiscal biennium, the legislature may transfer from the insurance commissioner's regulatory account to the state general fund such amounts as reflect the excess fund balance in the account.

(7)(a) Each insurer may annually collect regulatory surcharges remitted in preceding years by means of a policyholder surcharge on premiums charged for all kinds of insurance. The recoupment shall be at a uniform rate reasonably calculated to collect the regulatory surcharge remitted by the insurer.

(b) If an insurer fails to collect the entire amount of the recoupment in the first year under this section, it may repeat the recoupment procedure provided for in this subsection (7) in succeeding years until the regulatory surcharge is fully collected or a de minimis amount remains uncollected. Any such de minimis amount may be collected as provided in (d) of this subsection.

(c) The amount and nature of any recoupment shall be separately stated on either a billing or policy declaration sent to an insured. The amount of the recoupment must not be considered a premium for any purpose, including the premium tax or agents' commissions.

(d) An insurer may elect not to collect the regulatory surcharge from its insured. In such a case, the insurer may recoup the regulatory surcharge through its rates, if the following requirements are met:

(i) The insurer remits the amount of surcharge not collected by election under this subsection; and

(ii) The surcharge is not considered a premium for any purpose, including the premium tax or agents' commission.

Sec. 1802. RCW 79.17.210 and 2003 c 334 s 118 are each amended to read as follows:

(1) The legislature finds that the department has a need to maintain the real property asset base it manages and needs an accounting mechanism to complete transactions without reducing the real property asset base.

(2) The natural resources real property replacement account is created in the state treasury. This account shall consist of funds transferred or paid for the disposal or transfer of real property by the department under RCW 79.17.200. The funds in this account shall be used solely for the acquisition of replacement real property and may be

spent only when, and as, authorized by legislative appropriation. During the 2009-2011 fiscal biennium, the legislature may transfer from the natural resources real property replacement account to the state general fund an amount that reflects state general fund contributions to the account.

Sec. 1803. RCW 79.64.020 and 2008 c 328 s 6004 are each amended to read as follows:

A resource management cost account in the state treasury is created to be used solely for the purpose of defraying the costs and expenses necessarily incurred by the department in managing and administering state lands and aquatic lands and the making and administering of leases, sales, contracts, licenses, permits, easements, and rights-of-way as authorized under the provisions of this title. Appropriations from the resource management cost account to the department shall be expended for no other purposes. Funds in the resource management cost account may be appropriated or transferred by the legislature for the benefit of all of the trusts from which the funds were derived. ((~~For the 2007-2009 biennium, moneys in the account may be used for the purposes identified in section 3044, chapter 328, Laws of 2008~~)) During the 2009-2011 fiscal biennium, the legislature may transfer from the resource management cost account to the state general fund an amount that reflects state general fund contributions to the land bank portion of the account.

NEW SECTION. **Sec. 1804.** 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. 1805.** 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 947 of this act which takes effect June 30, 2011.

(End of Part)

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