

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 1244

Chapter 564, Laws of 2009

(partial veto)

61st Legislature
2009 Regular Session

OPERATING BUDGET

EFFECTIVE DATE: 05/19/09

Passed by the House April 24, 2009
Yeas 54 Nays 42

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 25, 2009
Yeas 29 Nays 20

BRAD OWEN

President of the Senate

Approved May 19, 2009, 3:27 p.m., with the exception of Sections 103(6); 105(3); 105(5); 117(2); 117(4); 117(5); 124(3); 126(5); 128(7); 128(11); 128(15); 128(17); 128(24); 137(4); 148(5); 152, page 39, lines 20-26; 153, page 39, lines 34-36 and page 40, lines 1-4; 204(4)(a); 205(1)(h); 205(1)(q); 207(4); 209(10); 209(11); 209(14); 209(15); 209(33); 218(12); 218(13); 218(14); 222(3); 222(20); 223(2)(b); 223(2)(f); 302 page 104, lines 18 and 19; 302(11); 302(18); 303(2); 303(4); 307(5); 309(4); 309(5); 401, page 120, lines 7, 17 and 18; 401(3); 402(3); 614(1); 616(8); 805,

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1244** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED
May 20, 2009

**Secretary of State
State of Washington**

page 205, lines 29-31; 805, page 206, lines 33-35;
936; 948; 955; 1104(1); 1104(2); and 1105(1)
which are vetoed.

CHRISTINE GREGOIRE

Governor of the State of Washington

ENGROSSED SUBSTITUTE HOUSE BILL 1244

Passed Legislature - 2009 Regular Session

State of Washington

61st Legislature

2009 Regular Session

By House Ways & Means (originally sponsored by Representatives Linville, Alexander, and Ericks; by request of Governor Gregoire)

READ FIRST TIME 04/10/09.

AN ACT Relating to fiscal matters; amending RCW 2.68.020, 28A.160.130, 28B.105.110, 35.104.060, 38.52.106, 41.48.060, 41.50.110, 43.03.310, 43.08.190, 43.09.260, 43.09.282, 43.09.475, 43.10.180, 43.17.390, 43.19.501, 43.21A.667, 43.79.201, 43.79.460, 43.79.480, 43.83B.360, 43.155.050, 43.215.125, 43.325.040, 43.330.250, 46.66.080, 50.16.010, 66.08.170, 67.70.190, 70.93.180, 71.24.310, 74.08A.340, 74.13.621, 77.12.820, 77.32.010, 79.64.040, 79A.25.080, 79.105.150, 80.36.430, 86.26.007, 2.68.020, 28B.50.837, 28B.67.030, 28B.76.565, 28B.76.610, 28B.105.110, 41.45.230, 43.30.305, and 71.24.310; amending 2009 c 4 ss 101, 110, 112, 118, 124, 128, 129, 135, 140, 143, 145, 148, 151, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 212, 213, 214, 215, 216, 217, 219, 221, 222, 223, 225, 301, 302, 303, 307, 308, 311, 402, 501, 502, 504, 505, 506, 603, 606, 609, 610, 613, 614, 615, 616, 801, and 802 (uncodified); amending 2008 c 329 ss 151, 201, 223, 504, 505, 506, 508, 509, 510, 512, 516, 701, 702, 703, 704, 705, 706, 707, and 714 (uncodified); amending 2007 c 522 ss 712, 804, 802, and 803 (uncodified); reenacting and amending RCW 43.135.045, 46.09.170, 67.40.040, and 70.105D.070; adding a new section to chapter 43.70 RCW; adding new sections to 2007 c 522 (uncodified); creating new sections; making appropriations; providing expiration dates; 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, 2009, and ending June 30, 2011, 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 2010" or "FY 2010" means the fiscal year ending June 30, 2010.

(b) "Fiscal year 2011" or "FY 2011" means the fiscal year ending June 30, 2011.

(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 2010)	\$33,500,000
General Fund -- State Appropriation (FY 2011)	\$33,379,000
TOTAL APPROPRIATION	\$66,879,000

NEW SECTION. Sec. 102 FOR THE SENATE

General Fund -- State Appropriation (FY 2010)	\$24,957,000
General Fund -- State Appropriation (FY 2011)	\$27,182,000
TOTAL APPROPRIATION	\$52,139,000

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

General Fund--State Appropriation (FY 2010)	\$2,874,000
General Fund--State Appropriation (FY 2011)	\$2,884,000
TOTAL APPROPRIATION	\$5,758,000

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 2009-11 work plan as necessary to efficiently manage workload.

(2) Within the amounts appropriated in this section, the committee shall conduct a review of the effect of risk management practices on tort payouts. This review shall include an analysis of the state's laws, policies, procedures, and practices as they relate to the conduct of post-incident reviews and the impact of such reviews on the state's conduct and liability.

(3) 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 costs.

(4) Within the amounts appropriated in this section, the committee shall prepare an evaluation of the implementation of legislation designed to improve communication, collaboration, and expedited medicaid attainment with regard to persons released from confinement who have mental health or chemical dependency disorders. The review shall evaluate the implementation of: (a) Chapter 166, Laws of 2004 (E2SSB 6358); (b) sections 507 and 508 of chapter 504, Laws of 2005 (E2SSB 5763); (c) sections 12 and 13 of chapter 503, Laws of 2005 (E2SHB 1290); and (d) section 8 of chapter 359, Laws of 2007 (2SHB 1088). The departments of corrections and social and health services, the administrative office of the courts, institutions for mental disease, city and county jails, city and county courts, county clerks, and mental health and chemical dependency treatment providers shall provide the committee with information necessary for the study.

(5) Within the amount appropriated in this section, the joint legislative audit and review committee shall conduct a review of the state's recreational boating programs. This review shall include examination of the following:

- (a) Revenue sources for state recreational boating programs;
- (b) Expenditures for state boating programs;
- (c) Methods of administering state recreational boating programs, including the roles of both state and local government entities; and
- (d) Approaches other states have taken to funding and administering their recreational boating programs.

The committee shall complete the review by October 31, 2010.

(6) Within amounts appropriated in this section, the joint legislative audit and review committee shall implement Engrossed Substitute House Bill No. 2338 (growth management hearings boards).

(7) Within the amount appropriated in this section, the joint legislative audit and review committee shall examine the operations of employment and day services as provided by the department of social and health services, division of developmental disabilities and administered by the counties. The examination shall include a thorough review of the contracts for all services including, but not limited to, employment services, day services, child development services and other uses of state dollars for county administration of services to the developmentally disabled. In its final report, due to the legislature by September 1, 2010, the joint legislative audit and review committee shall provide: A description of how funds are used and the rates paid to vendors, and a recommendation on best practices the agency may use for the development of a consistent, outcome-based contract for services provided under contract with the counties.

(8) Within the amount appropriated in this section, the joint legislative audit and review committee shall conduct a study of the relationship between the cost of school districts and their enrollment size. The study shall be completed by June 2010 and shall include:

- (a) An analysis of how categories of costs vary related to size, including but not limited to facility costs, transportation costs, educational costs, and administrative costs;
- (b) A review of other factors that may impact costs, such as revenues available from local levies and other sources, geographic dispersion, demographics, level of services received from educational service districts, and whether districts operate a high school;
- (c) Case studies on the change in cost patterns occurring after school district consolidations and for school districts operating under state oversight condition specified in RCW 28A.505.110; and
- (d) A review of available research on nonfinancial benefits and impacts associated with

school and school district size.

**Sec. 103 was partially vetoed. See message at end of chapter.*

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

General Fund--State Appropriation (FY 2010)	\$1,748,000
General Fund--State Appropriation (FY 2011)	\$1,927,000
TOTAL APPROPRIATION	\$3,675,000

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

General Fund -- State Appropriation (FY 2010)	\$200,000
General Fund -- State Appropriation (FY 2011)	\$25,000
Health Care Authority Administrative Account--State Appropriation	\$735,000
Department of Retirement Systems Expense Account -- State Appropriation	\$3,309,000
TOTAL APPROPRIATION	\$4,269,000

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

(1) \$25,000 of the department of retirement systems--state appropriation is provided solely for the continued study of local government liabilities for postretirement medical benefits for members of plan 1 of the law enforcement officers' and firefighters' retirement system.

(2) \$51,000 of the department of retirement systems expense account--state appropriation is provided solely for the state actuary to contract with the Washington state institute for public policy for a study of the disability benefits provided to the plan 2 and plan 3 members of the public employees' retirement system, the teachers' retirement system, and the school employees' retirement system. Among the options the institute shall examine include statutory changes to the retirement systems and insurance products. The institute shall report its findings and recommendations to the select committee on pension policy by November 1, 2009.

(3) \$20,000 of the department of retirement systems--state appropriation is provided solely to assist the University of Washington medical center and Harborview medical center with the financial reporting of their postretirement benefits liabilities.

(4) \$175,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the office of the state actuary to conduct an independent assessment of alternatives for assuring the long-term financial solvency of the guaranteed education tuition program including suspension of the program. In conducting this review, the office may contract for assistance, and shall consult with the higher education coordinating board, the operating budget committees of the legislature, the office of financial management, and the state's public colleges and universities. The office shall report findings, an assessment of the major alternatives, and suggested actions to the governor and to the relevant legislative committees by November 15, 2009.

(5) \$735,000 of the health care authority administrative account--state appropriation is provided solely for the state actuary to conduct a study, directly or by contract, of the cost of providing health benefits for public employees. The study shall conduct a comparison of the actuarial value of health benefits provided to employees of Washington state retirement systems-participating employers, and the cost of those benefits to employees and employers. All

state retirement system participating employers shall provide data requested by the state actuary to conduct the study, including the ages and genders of covered employees and dependents, counts of covered employees by medical conditions, eligibility criteria, plan design, and costs to employers and employees by employee tier. By December 15, 2010, the state actuary shall report the findings of the study to the governor and the fiscal committees of the legislature.

**Sec. 105 was partially vetoed. See message at end of chapter.*

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

General Fund -- State Appropriation (FY 2010)	\$8,651,000
General Fund -- State Appropriation (FY 2011)	\$8,519,000
TOTAL APPROPRIATION	\$17,170,000

NEW SECTION. Sec. 107 FOR THE STATUTE LAW COMMITTEE

General Fund -- State Appropriation (FY 2010)	\$4,610,000
General Fund -- State Appropriation (FY 2011)	\$5,029,000
TOTAL APPROPRIATION	\$9,639,000

NEW SECTION. Sec. 108 FOR THE REDISTRICTING COMMISSION

General Fund -- State Appropriation (FY 2011)	\$610,000
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NEW SECTION. Sec. 109 LEGISLATIVE AGENCIES. In order to achieve operating efficiencies within the financial resources available to the legislative branch, the executive rules committee of the house of representatives and the facilities and operations committee of the senate by joint action may transfer funds among the house of representatives, senate, joint legislative audit and review committee, legislative evaluation and accountability program committee, legislative transportation committee, office of the state actuary, joint legislative systems committee, statute law committee, and redistricting commission.

NEW SECTION. Sec. 110 FOR THE SUPREME COURT

General Fund -- State Appropriation (FY 2010)	\$6,912,000
General Fund -- State Appropriation (FY 2011)	\$6,948,000
TOTAL APPROPRIATION	\$13,860,000

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.

NEW SECTION. Sec. 111 FOR THE LAW LIBRARY

General Fund -- State Appropriation (FY 2010)	\$1,924,000
General Fund -- State Appropriation (FY 2011)	\$1,922,000
TOTAL APPROPRIATION	\$3,846,000

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.

NEW SECTION. Sec. 112 FOR THE COURT OF APPEALS

General Fund -- State Appropriation (FY 2010)	\$15,793,000
General Fund -- State Appropriation (FY 2011)	\$15,895,000
TOTAL APPROPRIATION	\$31,688,000

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.

NEW SECTION. Sec. 113 FOR THE COMMISSION ON JUDICIAL CONDUCT

General Fund -- State Appropriation (FY 2010)	\$1,032,000
General Fund -- State Appropriation (FY 2011)	\$1,082,000
TOTAL APPROPRIATION	\$2,114,000

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.

NEW SECTION. Sec. 114 FOR THE ADMINISTRATOR FOR THE COURTS

General Fund -- State Appropriation (FY 2010)	\$53,607,000
General Fund -- State Appropriation (FY 2011)	\$51,812,000
Judicial Information Systems Account -- State Appropriation	\$29,676,000
Judicial Stabilization Trust Account--State Appropriation	\$6,598,000
TOTAL APPROPRIATION	\$141,693,000

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 \$1,800,000 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.

(2)(a) \$8,252,000 of the general fund--state appropriation for fiscal year 2010 and \$8,253,000 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 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 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 in consultation with the information services board. The administrator shall regularly submit project plan updates for approval to the judicial information system committee and the information services board.

(c) The judicial information system committee and the information services board shall review project progress on a regular basis and may require quality assurance plans. The judicial information systems committee and the information services board 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.

(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.

Sec. 115 2009 c 4 s 113 (uncodified) is amended to read as follows:

FOR THE OFFICE OF PUBLIC DEFENSE

General Fund -- State Appropriation (FY 2010)	\$25,385,000
General Fund -- State Appropriation (FY 2011)	\$24,592,000
Judicial Stabilization Trust Account--State	
Appropriation	\$2,923,000
TOTAL APPROPRIATION	\$52,900,000

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

(1) 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.

(2) The amounts provided include funding for expert and investigative services in death penalty personal restraint petitions.

NEW SECTION. Sec. 116 FOR THE OFFICE OF CIVIL LEGAL AID

General Fund -- State Appropriation (FY 2010)	\$11,175,000
General Fund -- State Appropriation (FY 2011)	\$11,105,000
Judicial Stabilization Trust Account--State	
Appropriation	\$1,160,000
TOTAL APPROPRIATION	\$23,440,000

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

(1) An amount not to exceed \$40,000 of the general fund--state appropriation for fiscal year 2010 and an amount not to exceed \$40,000 of the general fund--state appropriation for fiscal year 2011 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.

(2) 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.

***NEW SECTION. Sec. 117 FOR THE OFFICE OF THE GOVERNOR**

General Fund -- State Appropriation (FY 2010)	\$5,880,000
General Fund -- State Appropriation (FY 2011)	\$5,876,000
Economic Development Strategic Reserve Account--State Appropriation	\$1,500,000
TOTAL APPROPRIATION	\$13,256,000

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

(1) \$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.

(2)(a) Within the funds appropriated in this section, the governor shall convene a joint legislative and executive task force on coal fired power plants.

(i) The members of the task force shall consist of:

(A) One member from each of the major caucuses of the senate, or their designees, as appointed by the president of the senate;

(B) One member from each of the major caucuses of the house, or their designees, as appointed by the speaker of the house; and

(C) The governor's designee.

(ii) The task force shall be chaired by the governor's designee.

(iii) Staff from the state energy office at the department of community, trade, and economic development, the department of revenue, and from the legislature as available, shall support the task force.

(b) The task force shall evaluate alternatives for how existing coal-fired power plants can meet the state's greenhouse gas emissions performance standard as required by Engrossed Second Substitute Senate Bill No. 5735.

(i) The task force shall review information on:

(A) The availability of alternative power production technologies;

(B) The timelines for planning, design, permitting, and construction of new power facilities;

(C) The construction and operation costs of alternatives; and

(D) Options for financing and cost recovery, including private joint ventures, government incentives, long-term purchase options, public power, and private-public partnerships.

(ii) The task force shall consider:

(A) the long-term needs for the supply of electricity in western Washington;

(B) The generation and transmission needs required to meet future supplies and sustain the electrical grid;

(C) Existing government incentives for power facilities; and

(D) Options for retaining jobs during a transition to cleaner energy facilities.

(iii) The task force shall identify barriers and opportunities for how existing coal-fired power plants can meet the state's emissions performance standard, and make recommendations for policies and incentives that could facilitate or accelerate meeting the

requirements of Engrossed Second Substitute Senate Bill No. 5735.

(iv) The task force shall solicit information and advice from a broad range of experts, including representatives of:

- (A) Coal-fired power plants in Washington state, and the coal-fired power industry;*
- (B) Clean energy industry associations;*
- (C) Public and investor-owned utilities that supply electricity;*
- (D) Financial institutions that invest in generation of electricity;*
- (E) Environmental groups that focus on clean energy;*
- (F) Federal and state agencies with jurisdiction or expertise in generation and distribution of electricity; and*
- (G) Others as needed.*

(v) The governor shall invite representatives from the Bonneville power administration and the Northwest power and conservation council to participate on the task force.

(4) By December 1, 2010, the task force shall submit a report to the governor and appropriate standing committees of the legislature, with recommendations for policies or incentives that would facilitate and accelerate the ability of existing coal-fired power plants to meet the state's greenhouse gas emissions performance standard. The task force recommendations must include timelines for interim decision points and other benchmarks needed to meet the requirements of Engrossed Second Substitute Senate Bill No. 5735 in an orderly fashion, including consideration of the following targets:

(a) By 2012, a determination of the potential for long-term sequestration of carbon emissions in geological formations near existing coal-fired power plants;

(b) By 2015, a determination of the feasibility for deploying large-scale capture and sequestration of greenhouse gas emissions, and if determined not feasible, what alternatives will be pursued to meet the performance standard; and

(c) By 2018, a decision on the type of clean energy facility needed to meet the state's emission performance standard, including actions taken by such date to ensure compliance with the standard in a timely fashion.

(5) By June 30, 2011, and every year thereafter, the department of community, trade, and economic development shall provide a progress report to the appropriate standing committees of the legislature on the actions undertaken pursuant to this section, including actions by the owner or operator of the coal-fired power plants to progress toward compliance with the state's emissions performance standard pursuant to Engrossed Second Substitute Senate Bill No. 5735.

**Sec. 117 was partially vetoed. See message at end of chapter.*

NEW SECTION. Sec. 118 FOR THE LIEUTENANT GOVERNOR

General Fund -- State Appropriation (FY 2010)	\$770,000
General Fund -- State Appropriation (FY 2011)	\$788,000
General Fund -- Private/Local Appropriation	\$90,000
TOTAL APPROPRIATION	\$1,648,000

NEW SECTION. Sec. 119 FOR THE PUBLIC DISCLOSURE COMMISSION

General Fund -- State Appropriation (FY 2010)	\$2,267,000
General Fund -- State Appropriation (FY 2011)	\$2,264,000
TOTAL APPROPRIATION	\$4,531,000

NEW SECTION. Sec. 120 FOR THE SECRETARY OF STATE

General Fund -- State Appropriation (FY 2010)	\$21,370,000
General Fund -- State Appropriation (FY 2011)	\$18,444,000
General Fund -- Federal Appropriation	\$8,121,000
Archives and Records Management Account -- State Appropriation	\$8,863,000
Department of Personnel Service Account -- State Appropriation	\$760,000
Local Government Archives Account -- State Appropriation	\$11,777,000
Election Account -- Federal Appropriation	\$29,715,000
TOTAL APPROPRIATION	\$99,050,000

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 \$2,076,000 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) The secretary of state shall not reduce the services provided by the talking book and Braille library below the service level provided in fiscal year 2008.

(5) In implementing budget reductions, the office of the secretary of state must make its first priority to maintain funding for the elections division.

NEW SECTION. Sec. 121 FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS

General Fund -- State Appropriation (FY 2010)	\$266,000
General Fund -- State Appropriation (FY 2011)	\$276,000
TOTAL APPROPRIATION	\$542,000

The appropriations in this section are subject to the following conditions and limitations: The office shall assist the department of personnel on providing the government-to-government training sessions for federal, state, local, and tribal government employees. The training sessions shall cover tribal historical perspectives, legal issues, tribal sovereignty, and tribal governments. Costs of the training sessions shall be recouped through a fee charged to the participants of each session. The department of personnel shall be responsible for all of the administrative aspects of the training, including the billing and collection of the fees for the training.

NEW SECTION. Sec. 122 FOR THE COMMISSION ON ASIAN PACIFIC AMERICAN AFFAIRS

General Fund -- State Appropriation (FY 2010)	\$236,000
General Fund -- State Appropriation (FY 2011)	\$224,000
TOTAL APPROPRIATION	\$460,000

NEW SECTION. Sec. 123 FOR THE STATE TREASURER

State Treasurer's Service Account -- State Appropriation	\$14,802,000
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***NEW SECTION. Sec. 124 FOR THE STATE AUDITOR**

General Fund -- State Appropriation (FY 2010)	\$722,000
General Fund -- State Appropriation (FY 2011)	\$729,000
State Auditing Services Revolving Account -- State Appropriation	\$12,061,000
TOTAL APPROPRIATION	\$13,512,000

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) \$722,000 of the general fund--state appropriation for fiscal year 2010 and \$729,000 of the general fund--state appropriation for fiscal year 2011 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) By November 1 of each fiscal year of the 2009-11 biennium, the state auditor shall

report to the senate and house of representatives committees on ways and means on state expenditure savings achieved from the implementation of performance audits conducted by the state auditor. It is the intent of the legislature to reduce the 2009-11 legislative transfers from the performance audits of government accounts to recognize actual reductions achieved in expenditures from the state treasury as a result of these performance audits.

**Sec. 124 was partially vetoed. See message at end of chapter.*

NEW SECTION. Sec. 125 FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS

General Fund -- State Appropriation (FY 2010) \$171,000
General Fund -- State Appropriation (FY 2011) \$212,000
TOTAL APPROPRIATION \$383,000

***NEW SECTION. Sec. 126 FOR THE ATTORNEY GENERAL**

General Fund -- State Appropriation (FY 2010) \$5,325,000
General Fund -- State Appropriation (FY 2011) \$5,654,000
General Fund -- Federal Appropriation \$4,026,000
New Motor Vehicle Arbitration Account -- State
Appropriation \$1,346,000
Legal Services Revolving Account -- State
Appropriation \$221,515,000
Tobacco Prevention and Control Account -- State
Appropriation \$270,000
TOTAL APPROPRIATION \$238,136,000

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) \$40,000 of the fiscal year 2010 general fund--state appropriation and \$40,000 of the

fiscal year 2011 general fund--state appropriation are provided solely to implement Second Substitute Senate Bill No. 5850 (human trafficking violations). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

**Sec. 126 was partially vetoed. See message at end of chapter.*

NEW SECTION. Sec. 127 FOR THE CASELOAD FORECAST COUNCIL

General Fund -- State Appropriation (FY 2010)	\$779,000
General Fund -- State Appropriation (FY 2011)	\$772,000
TOTAL APPROPRIATION	\$1,551,000

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.

***NEW SECTION. Sec. 128 FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**

General Fund -- State Appropriation (FY 2010)	\$51,240,000
General Fund -- State Appropriation (FY 2011)	\$51,938,000
General Fund -- Federal Appropriation	\$384,540,000
General Fund -- Private/Local Appropriation	\$16,266,000
Public Works Assistance Account -- State Appropriation	\$2,990,000
Tourism Development and Promotion Account -- State Appropriation	\$1,003,000
Drinking Water Assistance Administrative Account -- State Appropriation	\$439,000
Lead Paint Account -- State Appropriation	\$18,000
Building Code Council Account -- State Appropriation	\$1,286,000
Home Security Fund Account -- State Appropriation	\$23,498,000
Affordable Housing for All Account -- State Appropriation	\$11,900,000
Washington Auto Theft Prevention Authority Account--State Appropriation	\$300,000
Independent Youth Housing Account -- State Appropriation	\$80,000
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	\$8,382,000
Manufacturing Innovation and Modernization Account -- State Appropriation	\$246,000
Community and Economic Development Fee Account -- State Appropriation	\$1,833,000
Washington Housing Trust Account -- State Appropriation	\$15,372,000

Public Facility Construction Loan Revolving

Account -- State Appropriation	\$755,000
TOTAL APPROPRIATION	\$573,602,000

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

(1) \$2,520,000 of the general fund -- state appropriation for fiscal year 2010 and \$2,521,000 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 \$100,000 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) Associate development organizations receiving funding through the appropriations in this section shall work with the community and technical colleges to better align workforce and economic development programs within industry clusters identified by the associate development associations as necessary to deploy funds in response to high-demand fields and consistent with Engrossed Second Substitute Senate Bill No. 5809 (revising unemployment compensation and workforce training provisions). The workforce programs should be consistent with industry clusters identified by the associate development organization and approved by a private industry partner within the industry cluster.

(8) \$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.

(9) \$20,000 of the general fund--state appropriation for fiscal year 2010 and \$20,000 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.

(10) \$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 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.

(11) \$76,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for implementation of Engrossed Substitute Senate Bill No. 5840 (energy independence). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(12) \$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.

(13) 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 by December 1, 2011, in accordance with RCW 36.70A.130.

(14) 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.

(15) A county receiving funds pursuant to RCW 36.22.178, 36.22.179, and 36.22.1791, shall, within that funding:

(a) Beginning July 1, 2009, include a life-cycle cost analysis program as one of the criteria in deciding which proposals to award funds. "Life-cycle cost analysis" means an analysis of the total discounted dollar cost of owning, operating, maintaining, and disposing of a building or building system to compare the cost of capital developments to vouchers, and to compare the cost of two or more competing development proposals.

(b) By September 30, 2009, and September 30, 2010, submit to the department of community, trade, and economic development a report describing the distribution of the funds. The report shall include:

(i) A description of the process used by the county for allocating funds;

(ii) The use of funds including, but not limited to, housing vouchers, program services, and housing projects; and

(iii) The criteria used for making funding allocation decisions.

(c) By December 1st of each year, the department of community, trade, and economic development shall prepare a report to the legislature and the office of financial management compiling the reports submitted under (b) of this subsection. For the funds collected under RCW 36.22.178, 36.22.179, and 36.22.1791, and allocated by the department to entities other than counties, this report must also include:

(i) A description of the process used by the department for allocating funds;

(ii) The use of funds including, but not limited to, housing vouchers, program services, and housing projects; and

(iii) The criteria used for making funding allocation decisions.

(16) \$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 a grant for the state's participation in the Pacific Northwest economic region.

(17) The Washington state economic development commission shall review existing state infrastructure programs which are focused on economic development and provide analysis, findings, and recommendations to the legislature and governor on preferred policy priorities and funding options for existing programs and possible revised or new programs to best ensure successful state economic efforts which are: (a) Aligned with the state's comprehensive plan for economic development; (b) responding to emerging economic conditions and opportunities; (c) improving local capacity; (d) maximizing results through partnerships and leveraging private capital; and (e) providing accountability to the public, the executive branch, and the legislative branch. The commission shall submit its report to the governor and the legislature by December 1, 2009.

(18) \$712,000 of the general fund--state appropriation for fiscal year 2010 and \$712,000 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.

(19) \$306,000 of the general fund--state appropriation for fiscal year 2010 and \$306,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant to the retired senior volunteer program.

(20) \$65,000 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 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.

(21) \$371,000 of the general fund--state appropriation for fiscal year 2010 and \$371,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to the northwest agriculture business center.

(22) The department shall administer its growth management act technical assistance so that smaller cities receive proportionately more assistance than larger cities or counties. Pass-through grants shall continue to be funded under 2007-09 policy.

(23) \$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.

(24) \$24,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for implementation of Second Substitute House Bill No. 1797 (rural and resource lands study). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(25) \$69,000 of the general fund--state appropriation for fiscal year 2010 and \$66,000 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.

(26) \$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.

(27) \$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.

(28) \$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.

(29) \$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.

**Sec. 128 was partially vetoed. See message at end of chapter.*

NEW SECTION. Sec. 129 FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL

General Fund -- State Appropriation (FY 2010)	\$727,000
General Fund -- State Appropriation (FY 2011)	\$793,000
TOTAL APPROPRIATION	\$1,520,000

NEW SECTION. Sec. 130 FOR THE OFFICE OF FINANCIAL MANAGEMENT

General Fund -- State Appropriation (FY 2010)	\$22,163,000
General Fund -- State Appropriation (FY 2011)	\$20,792,000
General Fund -- Federal Appropriation	\$23,597,000
General Fund -- Private/Local Appropriation	\$1,270,000
State Auditing Services Revolving	
Account -- State Appropriation	\$25,000
Economic Development Strategic Reserve Account--	
State Appropriation	\$280,000
TOTAL APPROPRIATION	\$68,127,000

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) \$500,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for a study of the feasibility of closing state institutional facilities and a plan on eliminating beds in the state institutional facility inventory. The office of financial management shall contract with consultants with expertise related to the subject matters included in this study. The office of financial management and the consultants shall consult with the department of social and health services, the department of corrections, stakeholder groups that represent the people served in these institutions, labor organizations that represent employees who work in these institutions and other persons or entities with expertise in the areas being studied.

(a) For the purposes of this study, "state institutional facilities" means facilities operated by the department of corrections to house persons convicted of a criminal offense, Green Hill school and Maple Lane school operated by the department of social and health services juvenile rehabilitation administration, and residential habilitation centers operated by the department of

social and health services.

(b) In conducting this study, the consultants shall consider the following factors as appropriate:

(i) The availability of alternate facilities including alternatives and opportunities for consolidation with other facilities, impacts on those alternate facilities, and any related capital costs;

(ii) The cost of operating the facility, including the cost of providing services and the cost of maintaining or improving the physical plant of the facility;

(iii) The geographic factors associated with the facility, including the impact of the facility on the local economy and the economic impact of its closure, and alternative uses for a facility recommended for closure;

(iv) The costs associated with closing the facility, including the continuing costs following the closure of the facility;

(v) Number and type of staff and the impact on the facility staff including other employment opportunities if the facility is closed;

(vi) The savings that will accrue to the state from closure or consolidation of a facility and the impact any closure would have on funding the associated services; and

(vii) For the residential habilitation centers, the impact on clients in the facility being recommended for closure and their families, including ability to get alternate services and impact on being moved to another facility.

(c) The office of financial management shall submit a final report to the governor and the ways and means committees of the house of representatives and senate by November 1, 2009. The report shall provide a recommendation and a plan to eliminate 1,580 beds in the department of corrections facilities, 235 beds from juvenile rehabilitation facilities, and 250 funded beds in the residential habilitation centers through closure or consolidation of facilities. The report shall include an assessment of each facility studied, where and how the services should be provided, and any costs or savings associated with each recommendation. In considering the recommendations of the report, the governor and the legislature shall not consider closure of any state institutional facility unless the report recommended the facility for closure.

NEW SECTION. Sec.131 FOR THE OFFICE OF ADMINISTRATIVE HEARINGS

Administrative Hearings Revolving

Account -- State Appropriation \$33,473,000

NEW SECTION. Sec. 132 FOR THE DEPARTMENT OF PERSONNEL

Department of Personnel Service Account -- State

Appropriation \$22,025,000

Higher Education Personnel Services Account -- State

Appropriation \$1,716,000

TOTAL APPROPRIATION \$23,741,000

The appropriations in this section are subject to the following conditions and limitations: The department shall coordinate with the governor's office of Indian affairs on providing the government-to-government training sessions for federal, state, local, and tribal government employees. The training sessions shall cover tribal historical perspectives, legal issues, tribal sovereignty, and tribal governments. Costs of the training sessions shall be recouped through a

fee charged to the participants of each session. The department shall be responsible for all of the administrative aspects of the training, including the billing and collection of the fees for the training.

NEW SECTION. Sec. 133 FOR THE WASHINGTON STATE LOTTERY

Lottery Administrative Account -- State Appropriation \$27,776,000

NEW SECTION. Sec. 134 FOR THE COMMISSION ON HISPANIC AFFAIRS

General Fund -- State Appropriation (FY 2010) \$253,000

General Fund -- State Appropriation (FY 2011) \$260,000

TOTAL APPROPRIATION \$513,000

NEW SECTION. Sec. 135 FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS

General Fund -- State Appropriation (FY 2010) \$243,000

General Fund -- State Appropriation (FY 2011) \$244,000

TOTAL APPROPRIATION \$487,000

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

Department of Retirement Systems Expense

Account -- State Appropriation \$49,504,000

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

(1) \$148,000 of the department of retirement systems--state appropriation is provided solely for the administrative costs associated with implementation of Senate Bill No. 5303 (transferring members of retirement systems). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(2) \$66,000 of the department of retirement systems expense account--state appropriation is provided for the department of retirement systems to make revisions to various administrative processes as necessary to implement Engrossed Second Substitute Senate Bill No. 5688 (registered domestic partners). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(3) \$12,000 of the department of retirement systems--state appropriation is provided solely for the administrative costs associated with implementation of Senate Bill No. 5542 or House Bill No. 1678 (minimum disability benefits). If neither bill is enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(4) \$45,000 of the department of retirement systems expense account--state appropriation is provided solely to implement Engrossed Substitute House Bill No. 1445 (Washington state patrol retirement system domestic partners). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(5) \$45,000 of the department of retirement systems expense account--state appropriation is provided solely to implement Engrossed House Bill No. 1616 (law enforcement officers' and firefighters' retirement system plan 2 domestic partners). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(6) \$56,000 of the department of retirement systems expense account--state appropriation is

provided solely to implement House Bill No. 1548 (military service credit purchases). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(7) \$35,000 of the department of retirement systems expense account--state appropriation is provided solely to implement Substitute House Bill No. 1953 (department of fish and wildlife enforcement officers' past service credit). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

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

General Fund -- State Appropriation (FY 2010)	\$109,412,000
General Fund -- State Appropriation (FY 2011)	\$108,505,000
Timber Tax Distribution Account -- State Appropriation	\$5,904,000
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	\$1,050,000
State Toxics Control Account -- State Appropriation	\$87,000
Oil Spill Prevention Account -- State Appropriation	\$19,000
TOTAL APPROPRIATION	\$225,109,000

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) \$5,453,000 of the general fund--state appropriation for fiscal year 2010 and \$5,242,000 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) \$97,000 of the general fund--state appropriation for fiscal year 2010 is for the implementation of Substitute House Bill No. 1597 (tax administration). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

**Sec. 137 was partially vetoed. See message at end of chapter.*

NEW SECTION. Sec. 138 FOR THE STATE INVESTMENT BOARD

State Investment Board Expense Account -- State	
Appropriation	\$29,581,000

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

(1) \$2,471,000 of the state investment board expense account--state appropriation is provided solely for development of a risk management information system, with the intent that further

expenditures for this project be made only by appropriation.

(2) The state investment board shall include funding for any future salary increases authorized under RCW 43.33A.100 in the agency's budget request submitted in accordance with chapter 43.88 RCW in advance of granting related salary increases. The biennial salary survey required under RCW 43.33A.100 shall also 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. 139 FOR THE BOARD OF TAX APPEALS

General Fund -- State Appropriation (FY 2010) \$1,364,000
General Fund -- State Appropriation (FY 2011) \$1,368,000
TOTAL APPROPRIATION \$2,732,000

NEW SECTION. Sec. 140 FOR THE MUNICIPAL RESEARCH COUNCIL

County Research Services Account -- State Appropriation \$940,000
City and Town Research Services -- State Appropriation \$4,515,000
TOTAL APPROPRIATION \$5,455,000

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

OMWBE Enterprises Account -- State Appropriation \$3,622,000

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

General Fund -- State Appropriation (FY 2010) \$815,000
General Fund -- State Appropriation (FY 2011) \$811,000
General Fund -- Federal Appropriation \$5,738,000
General Administration Service Account -- State
Appropriation \$35,044,000
TOTAL APPROPRIATION \$42,408,000

The appropriations in this section are subject to the following conditions and limitations: \$28,000 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 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.

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

General Fund--State Appropriation (FY 2010) \$1,104,000
General Fund--State Appropriation (FY 2011) \$1,104,000
General Fund -- Federal Appropriation \$701,000
Data Processing Revolving Account -- State Appropriation \$7,824,000
TOTAL APPROPRIATION \$10,733,000

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

(1) \$100,000 of the general fund--state appropriation for fiscal year 2010 and \$100,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the purposes of Engrossed Second Substitute House Bill No. 1701 (high-speed internet), including expenditure for deposit to the community technology opportunity account. If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(2) The department shall implement some or all of the following strategies to achieve savings on information technology expenditures through: (a) Holistic virtualization strategies; (b) wide-area network optimization strategies; (c) replacement of traditional telephone communications systems with alternatives; and (d) migration of external voice mail systems to internal voice mail systems coordinated by the department. The department shall report to the office of financial management and the fiscal committees of the legislature semiannually on progress made towards the implementation of savings strategies and the savings realized to date. No later than June 30, 2011, the department shall submit a final report on its findings and savings realized to the office of financial management and the fiscal committees of the legislature.

NEW SECTION. Sec. 144 FOR THE INSURANCE COMMISSIONER

General Fund -- Federal Appropriation \$1,943,000
Insurance Commissioners Regulatory Account -- State
Appropriation \$47,978,000
TOTAL APPROPRIATION \$49,921,000

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

(1) \$410,000 of the insurance commissioner's regulatory account appropriation is provided solely to implement Substitute Senate Bill No. 5480 (discount health plans). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(2) \$598,000 of the insurance commissioner's regulatory account appropriation is provided solely to implement Substitute Senate Bill No. 5195 (life settlements model act). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(3) \$551,000 of the insurance commissioner's regulatory account appropriation is provided solely to implement Second Substitute Senate Bill No. 5346 (health care administration simplification). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 145 FOR THE BOARD OF ACCOUNTANCY

Certified Public Accountants' Account -- State
Appropriation \$3,016,000

NEW SECTION. Sec. 146 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 investigation account appropriation is provided solely for providing financial assistance to local jurisdictions in multiple death investigations. The forensic investigation council shall develop criteria for awarding these funds for multiple death investigations involving an unanticipated, extraordinary, and catastrophic event or those involving multiple jurisdictions.

NEW SECTION. Sec. 147 FOR THE HORSE RACING COMMISSION

Horse Racing Commission Operating Account -- State

Appropriation \$5,123,000

The appropriation in this section is subject to the following conditions and limitations:
Pursuant to RCW 43.135.055, the commission is authorized to increase licensing fees during the 2009-2011 fiscal biennium as necessary to support the appropriation in this section.

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

Liquor Control Board Construction and Maintenance

Account -- State Appropriation \$8,817,000

Liquor Revolving Account -- State Appropriation \$200,506,000

TOTAL APPROPRIATION \$209,323,000

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

(1) \$1,306,000 of the liquor revolving account--state appropriation is provided solely for the liquor control board to open five new state stores.

(2) \$40,000 of the liquor revolving account--state appropriation is provided solely for the liquor control board to open ten new contract stores.

(3) \$3,059,000 of the liquor revolving account--state appropriation is provided solely for the liquor control board to increase state and local revenues from new retail strategies including opening nine state stores on Sunday, opening state liquor stores on seven holidays, opening six mall locations during the holiday season, and increasing lottery sales.

(4) \$173,000 of the liquor revolving account--state appropriation is provided solely for the Engrossed House Bill No. 2040 (beer and wine regulation commission). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(5) If Senate Bill No. 6065 is not enacted by June 30, 2009, the liquor revolving account appropriation in this section shall be increased by \$728,000.

**Sec. 148 was partially vetoed. See message at end of chapter.*

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

Volunteer Firefighters' and Reserve Officers'

Administrative Account -- State Appropriation \$1,044,000

NEW SECTION. Sec. 150 FOR THE UTILITIES AND TRANSPORTATION COMMISSION

Public Service Revolving Account -- State Appropriation \$31,306,000

Pipeline Safety Account -- State Appropriation \$3,194,000

Pipeline Safety Account -- Federal Appropriation \$1,536,000

TOTAL APPROPRIATION \$36,036,000

NEW SECTION. Sec. 151 FOR THE MILITARY DEPARTMENT

General Fund -- State Appropriation (FY 2010) \$10,244,000

General Fund -- State Appropriation (FY 2011) \$10,290,000

General Fund -- Federal Appropriation \$149,101,000

Enhanced 911 Account -- State Appropriation \$39,598,000

Disaster Response Account -- State Appropriation	\$28,194,000
Disaster Response Account -- Federal Appropriation	\$91,263,000
Military Department Rent and Lease Account -- State Appropriation	\$615,000
Military Department Active State Service Account -- Federal Appropriation	\$200,000
Worker and Community Right-to-Know Account -- State Appropriation	\$341,000
Nisqually Earthquake Account -- State Appropriation	\$144,000
Nisqually Earthquake Account -- Federal Appropriation	\$856,000
TOTAL APPROPRIATION	\$330,846,000

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

(1) \$28,194,000 of the disaster response account -- state appropriation and \$91,263,000 of the disaster response account -- federal appropriation may be spent only on disasters declared by the governor and with the approval of the office of financial management. The military department shall submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on the disaster response account, including: (a) The amount and type of deposits into the account; (b) the current available fund balance as of the reporting date; and (c) the projected fund balance at the end of the 2009-2011 biennium based on current revenue and expenditure patterns.

(2) \$144,000 of the Nisqually earthquake account -- state appropriation and \$856,000 of the Nisqually earthquake account -- federal appropriation are provided solely for response and recovery costs associated with the February 28, 2001, earthquake. The military department shall submit a report quarterly to the office of financial management and the legislative fiscal committees detailing earthquake recovery costs, including: (a) Estimates of total costs; (b) incremental changes from the previous estimate; (c) actual expenditures; (d) estimates of total remaining costs to be paid; and (e) estimates of future payments by biennium. This information shall be displayed by fund, by type of assistance, and by amount paid on behalf of state agencies or local organizations. The military department shall also submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on the Nisqually earthquake account, including: (a) The amount and type of deposits into the account; (b) the current available fund balance as of the reporting date; and (c) the projected fund balance at the end of the 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;

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

(c) The department shall submit a report by December 1st of each year to the office of financial management and the legislative fiscal committees detailing homeland security revenues

and expenditures for the previous fiscal year by county and legislative district.

(4) \$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 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 shall use any of the funds for administrative purposes.

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

General Fund -- State Appropriation (FY 2010)	\$3,128,000
General Fund -- State Appropriation (FY 2011)	\$3,130,000
Department of Personnel Service Account -- State Appropriation	\$3,290,000
TOTAL APPROPRIATION	\$9,548,000

The appropriations in this section are subject to the following conditions and limitations: \$30,000 of the general fund--state appropriation for fiscal year 2010 and \$20,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Substitute House Bill No. 1329 (child care center bargaining). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

**Sec. 152 was partially vetoed. See message at end of chapter.*

***NEW SECTION. Sec. 153 FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION**

General Fund -- State Appropriation (FY 2010)	\$1,418,000
General Fund -- State Appropriation (FY 2011)	\$1,380,000
General Fund -- Federal Appropriation	\$1,653,000
General Fund -- Private/Local Appropriation	\$14,000
TOTAL APPROPRIATION	\$4,465,000

The appropriations in this section are subject to the following conditions and limitations: \$44,000 of the general fund--state appropriation for fiscal year 2010 and \$22,000 of the general fund-- state appropriation for fiscal year 2011 are provided solely for implementation of Second Substitute House Bill No. 1090 (human remains). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

**Sec. 153 was partially vetoed. See message at end of chapter.*

NEW SECTION. Sec. 154 FOR THE GROWTH MANAGEMENT HEARINGS BOARD

General Fund -- State Appropriation (FY 2010)	\$1,674,000
General Fund -- State Appropriation (FY 2011)	\$1,549,000
TOTAL APPROPRIATION	\$3,223,000

NEW SECTION. Sec. 155 FOR THE STATE CONVENTION AND TRADE CENTER

State Convention and Trade Center Account -- State Appropriation	\$60,127,000
State Convention and Trade Center Operating	

Account -- State Appropriation \$56,995,000
TOTAL APPROPRIATION \$117,122,000

(End of part)

**PART II
HUMAN SERVICES**

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

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

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

(3) The 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) 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, unless specifically prohibited by this act, the department may transfer general fund--state appropriations for fiscal year 2010 among programs after approval by the director of financial management.

(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.

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

General Fund -- State Appropriation (FY 2010)	\$315,241,000
General Fund -- State Appropriation (FY 2011)	\$317,248,000
General Fund -- Federal Appropriation	\$496,509,000
General Fund -- Private/Local Appropriation	\$828,000
Home Security Fund Appropriation	\$8,389,000
Domestic Violence Prevention Account--State Appropriation	\$1,154,000
Education Legacy Trust Account--State Appropriation	\$725,000
TOTAL APPROPRIATION	\$1,140,094,000

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

(1) \$5,563,000 of the general fund--state appropriation for fiscal year 2010 and \$5,563,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for intensive family preservation services as defined in RCW 74.14C.010 and for evidence-based services that prevent out-of-home placement and reduce length of stay in the child welfare system.

(2) \$993,000 of the general fund--state appropriation for fiscal year 2010 and \$993,000 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 seventeen children through two years of age. Seventy-five percent of the children served by the facility must be in need of special care as a result of substance abuse by their mothers. The facility shall also provide on-site training to biological, adoptive, or foster parents. The facility shall provide at least three months of consultation and support to parents accepting placement of children from the facility. The facility may recruit new and current foster and adoptive parents for infants served by the facility. The department shall not require case management as a condition of the contract.

(3) \$375,000 of the general fund--state appropriation for fiscal year 2008, \$375,000 of the general fund--state appropriation for fiscal year 2009, and \$322,000 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.

(4) \$2,500,000 of the general fund--state appropriation for fiscal year 2010 and \$2,500,000 of the general fund--state appropriation for fiscal year 2011 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.

(5) A maximum of \$76,831,000 of the general fund--state appropriations and \$56,901,000 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 decrease the length of stay 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 place 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 place 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 with relatives, 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.

(6) 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.

(7) Within amounts appropriated in this section, priority shall be given to proven intervention models, including evidence-based prevention and early intervention programs identified by the Washington 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.

(8) \$37,000 of the general fund--state appropriation for fiscal year 2010, \$37,000 of the

general fund--state appropriation for fiscal year 2011, and \$32,000 of the general fund--federal appropriation are provided solely for the implementation of chapter 465, Laws of 2007 (child welfare).

(9) \$125,000 of the general fund--state appropriation for fiscal year 2010 and \$125,000 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. \$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 2011.

(10) \$616,000 of the general fund--state appropriation for fiscal year 2010, \$616,000 of the general fund--state appropriation for fiscal year 2011, and \$368,000 of the general fund--federal appropriation are provided solely to contract with medical professionals for comprehensive safety assessments of high-risk families. The safety assessments will use validated assessment tools to guide intervention decisions through the identification of additional safety and risk factors. \$800,000 of this amount is for comprehensive safety assessments for families receiving in-home child protective services or family voluntary services. \$800,000 of this amount is for comprehensive safety assessments of 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.

(11) \$7,970,000 of the general fund--state appropriation for fiscal year 2010, \$7,711,000 of the general fund--state appropriation for fiscal year 2011, and \$5,177,000 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 to stay within appropriations without impeding reunification outcomes between parents and dependent children. The department shall report to the legislative fiscal committees quarterly, the number of children in foster care who receive supervised visits, their frequency, length of time of each visit, and whether reunification is attained.

(12) \$1,789,000 of the home security fund--state appropriation is provided solely for street youth program services.

(13) \$1,584,000 of the general fund--state appropriation for fiscal year 2010, \$1,584,000 of the general fund--state appropriation for fiscal year 2011, and \$1,586,000 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.

(14) \$725,000 of the education legacy trust account--state appropriation is 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.

(15) \$1,300,000 of the home security fund account--state appropriation is provided solely for HOPE beds.

(16) \$5,300,000 of the home security fund account--state appropriation is provided solely for the crisis residential centers.

(17) 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.

(18) 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.

(19) \$157,000 of the general fund--state appropriation for fiscal year 2010 and \$157,000 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.

(20) \$303,000 of the general fund--state appropriation for fiscal year 2010, \$418,000 of the general fund--state appropriation for fiscal year 2011, and \$257,000 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.

(21) \$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 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.

(22) 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.

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

General Fund -- State Appropriation (FY 2010)	\$104,870,000
General Fund -- State Appropriation (FY 2011)	\$93,081,000
General Fund -- Federal Appropriation	\$6,565,000

General Fund -- Private/Local Appropriation	\$1,900,000
Washington Auto Theft Prevention Authority Account-- State Appropriation	\$3,896,000
Juvenile Accountability Incentive Account -- Federal Appropriation	\$2,801,000
TOTAL APPROPRIATION	\$213,113,000

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 \$353,000 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) \$3,578,000 of the general fund--state appropriation for fiscal year 2010 and \$3,578,000 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 \$3,716,000 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) \$1,506,000 of the general fund--state appropriation for fiscal year 2010 and \$1,506,000 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 \$3,066,000 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, 2010, 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 special sex offender disposition alternative funds, the mental health disposition alternative, sentencing disposition alternative, and evidence-based program expansion grants to juvenile courts for the purpose of serving youth adjudicated in the juvenile justice system. Evidence-based programs, based on the criteria established by the Washington state institute for public policy, and disposition alternatives will be funding priorities. Funds may be used for promising practices when approved by juvenile rehabilitation administration, based on criteria established in consultation with Washington state institute for public policy and the juvenile courts.

By September 1, 2009, a committee with four members, in consultation with Washington state institute for public policy, shall develop a funding formula that takes into account the juvenile courts average daily population of program eligible youth in conjunction with the number of youth served in each approved evidence-based program or disposition alternative. The committee shall have one representative from the juvenile rehabilitation administration, one representative from the office of financial management, one representative from the office of the administrator of the courts, and one representative from the juvenile courts. Decision making will be by majority rule.

By September 1, 2010, the Washington state institute for public policy shall provide a report to the office of financial management and 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.

(b) By December 1, 2009, the committee established in (a) of this subsection, in consultation with Washington state institute for public policy, shall propose to the office of financial management and the legislature changes in the process of funding and managing, including accountability and information collection and dissemination, grants to juvenile courts for serving youth adjudicated in the juvenile court system use in the fiscal year ending June 30, 2011. The proposal shall include, but is not limited to: A process of making a block grant of funds consistent with (a) of this subsection; a program of data collection and measurement criteria for receiving the funds which will include targets of the number of youth served in identified evidence-based programs and disposition alternatives in which the juvenile courts and office of the administrator of the courts will have responsibility 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; and necessary changes to the Washington administrative code.

(c) Within the funds provided for criminal justice analysis in section 610(4) of this act, the Washington state institute for public policy shall conduct an analysis of the costs per participant

of evidence-based programs by the juvenile courts and by December 1, 2009, shall report the results of this analysis to the juvenile rehabilitation administration, the juvenile courts, office of the administrator of the courts, the office of financial management, and the fiscal committees of the legislature.

(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.

***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 2010)	\$266,677,000
General Fund -- State Appropriation (FY 2011)	\$296,619,000
General Fund -- Federal Appropriation	\$463,180,000
General Fund -- Private/Local Appropriation	\$14,868,000
TOTAL APPROPRIATION	\$1,041,344,000

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 \$113,689,000 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) \$16,900,000 of the general fund--state appropriation for fiscal year 2010 and \$16,900,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department and regional support networks to contract for implementation of high-intensity program for active community treatment (PACT) teams, and other proven program approaches that the department concurs will enable the regional support network to achieve significant reductions in the number of beds the regional support network would otherwise need to use at the state hospitals.

(c) 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, and 587 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.

(d) 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.

(e) \$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.

(f) 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.

(g) \$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 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.

(h) \$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.

(i) 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.

(j) 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.

(k) 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.

(l) \$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.

(m) 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.

(2) INSTITUTIONAL SERVICES

General Fund -- State Appropriation (FY 2010)	\$120,679,000
General Fund -- State Appropriation (FY 2011)	\$125,017,000
General Fund -- Federal Appropriation	\$151,300,000
General Fund -- Private/Local Appropriation	\$65,870,000
TOTAL APPROPRIATION	\$462,866,000

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 \$231,000 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 \$45,000 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.

(3) SPECIAL PROJECTS

General Fund -- State Appropriation (FY 2010)	\$1,819,000
General Fund -- State Appropriation (FY 2011)	\$1,812,000
General Fund -- Federal Appropriation	\$2,142,000
TOTAL APPROPRIATION	\$5,773,000

The appropriations in this subsection are subject to the following conditions and limitations: \$1,511,000 of the general fund--state appropriation for fiscal year 2010 and \$1,511,000 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.

(4) PROGRAM SUPPORT

General Fund -- State Appropriation (FY 2010)	\$4,123,000
General Fund -- State Appropriation (FY 2011)	\$4,155,000
General Fund -- Federal Appropriation	\$7,330,000
TOTAL APPROPRIATION	\$15,608,000

(a) Within the amounts appropriated in this section, the department shall provide reports to the legislature and governor on May 31, 2010, and January 31, 2011, concerning the waiting periods experienced for competency evaluations and competency restoration treatment during the nine month periods ending on March 31, 2010, and December 31, 2010, respectively.

The reports shall state, by county, the average number of days over the reporting period spent by the defendant between the signing of the court order and distribution of report: (i) In jail; (ii) in the state hospital; and (iii) waiting for the order and supporting documents to be received by the department. By state hospital catchment, the report shall also state these averages on a monthly basis. With respect to competency evaluations, the report shall separate evaluations ordered to occur in a jail, evaluations ordered to occur in the community, evaluations ordered to occur in a state hospital, and evaluations transferred to the state hospital which were originally ordered to occur in another setting. The department shall state the percentage of defendants that were found by the department to be competent following each type of evaluation. The department shall also state how many evaluations referrals contained a request for evaluation of insanity and diminished capacity, and what proportion of defendants for whom this evaluation was requested were found by the department to meet the criteria for these defenses.

With respect to competency restoration, the report shall separate restoration referrals by stage of competency restoration and state the percentage of defendants found by the department to be competent at the conclusion of each stage.

The report shall identify factors which have caused delays in the completion of competency evaluations, and analyze a sample of cases in which evaluation time exceeded the standard deviation. The report shall provide recommendations as to what measures state or local

governments may take to improve the speed of competency evaluations, and identify any statutory or regulatory barriers that obstruct the evaluation process.

(b) 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. 204 was partially vetoed. See message at end of chapter.*

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

(1) COMMUNITY SERVICES

General Fund -- State Appropriation (FY 2010)	\$313,050,000
General Fund -- State Appropriation (FY 2011)	\$368,549,000
General Fund -- Federal Appropriation	\$851,610,000
TOTAL APPROPRIATION	\$1,533,209,000

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. In doing so, the department shall comply with all maintenance of effort requirements contained in the American reinvestment and recovery act.

(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) \$5,593,000 of the general fund--state appropriation for fiscal year 2010, \$4,002,000 of the general fund--state appropriation for fiscal year 2011, and \$14,701,000 of the general fund--federal appropriation are provided solely for community residential and support services. Funding in this subsection shall be prioritized for (i) residents of residential habilitation centers who are able to be adequately cared for in community settings and who choose to live in those community settings; (ii) clients without residential services who are at immediate risk of institutionalization or in crisis; (iii) children who are at risk of institutionalization or who are aging out of other state services; and (iv) current home and community-based waiver program clients who have been assessed as having an immediate need for increased services. First priority shall be given to children who are at risk of institutionalization. The department shall ensure that the average cost per day for all program services other than start-up costs shall not exceed \$300.

In order to maximize the number of clients served and ensure the cost-effectiveness of the waiver programs, the department will strive to limit new client placement expenditures to 90 percent of the budgeted daily rate. If this can be accomplished, additional clients may be served with excess funds, provided the total projected carry-forward expenditures do not exceed the amounts estimated. The department shall electronically report to the appropriate committees of the legislature, within 45 days following each fiscal year quarter, the number of persons served with these additional community services, where they were residing, what kinds of services they were receiving prior to placement, and the actual expenditures for all community services to support these clients.

(e)(i) \$493,000 of the general fund--state appropriation for fiscal year 2010, \$1,463,000 of the general fund--state appropriation for fiscal year 2011, and \$2,741,000 of the general fund--federal appropriation are provided solely for community services for persons with developmental disabilities who also have community protection issues. Funding in this subsection shall be prioritized for (A) clients being diverted or discharged from the state psychiatric hospitals; (B) clients participating in the dangerous mentally ill offender program; (C) clients participating in the community protection program; and (D) mental health crisis diversion outplacements. The department shall ensure that the average cost per day for all program services other than start-up costs shall not exceed \$349 per day in fiscal year 2010 and \$356 per day in fiscal year 2011. In order to maximize the number of clients served and ensure the cost-effectiveness of the waiver programs, the department will strive to limit new client placement expenditures to 90 percent of the budgeted daily rate. If this can be accomplished, additional clients may be served with excess funds if the total projected carry-forward expenditures do not exceed the amounts estimated.

(ii) The department shall electronically report to the appropriate committees of the legislature, within 45 days following each fiscal year quarter, the number of persons served with these additional community services, where they were residing, what kinds of services they were receiving prior to placement, and the actual expenditures for all community services to support these clients.

(f) \$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.

(g)(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.

(h) Within the amounts appropriated in this subsection, 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.

(i) 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.

(j) Adult day health services shall only be authorized for in-home clients.

(k) 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.

(l) 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).

(m) 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.

(n) 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.

(o) Within the amounts allotted for employment and day services in this section, the department shall prioritize the funding of employment services for students graduating from high school during fiscal years 2010 and 2011. However, nothing in this subsection is intended to displace services for other recipients of employment services.

(p) 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.

(q) Within the amounts appropriated in this section, waiver clients must receive

employment and day services as authorized by their waiver, such as pathway to employment, while waiting for paid employment to be developed. The department shall establish and maintain a consistent proposed policy for minimum direct service hours for clients, minimum hours of support, time frames for seeking paid employment, and services provided under pathway to employment while paid employment is sought. In order to maximize the number of clients served, the department may serve additional nonwaiver clients with unspent funds for waiver clients, provided the total projected carry-forward expenditures do not exceed the amounts estimated.

(2) INSTITUTIONAL SERVICES

General Fund -- State Appropriation (FY 2010)	\$61,612,000
General Fund -- State Appropriation (FY 2011)	\$74,185,000
General Fund -- Federal Appropriation	\$202,160,000
General Fund -- Private/Local Appropriation	\$22,441,000
TOTAL APPROPRIATION	\$360,398,000

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) 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)	\$1,428,000
General Fund -- State Appropriation (FY 2011)	\$1,388,000
General Fund -- Federal Appropriation	\$1,372,000
TOTAL APPROPRIATION	\$4,188,000

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 -- State Appropriation (FY 2010)	\$15,000
General Fund -- State Appropriation (FY 2011)	\$15,000
General Fund -- Federal Appropriation	\$21,066,000
TOTAL APPROPRIATION	\$21,096,000

The appropriations in this subsection are subject to the following conditions and limitations:
The appropriations in this subsection are available solely for the infant toddler early intervention program.

**Sec. 205 was partially vetoed. See message at end of chapter.*

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

General Fund -- State Appropriation (FY 2010)	\$585,667,000
General Fund -- State Appropriation (FY 2011)	\$698,622,000
General Fund -- Federal Appropriation	\$1,814,099,000
General Fund -- Private/Local Appropriation	\$20,373,000
Traumatic Brain Injury Account -- State Appropriation	\$1,816,000
TOTAL APPROPRIATION	\$3,120,577,000

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 \$156.37 for fiscal year 2010 and shall not exceed \$158.74 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) 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.

(3) 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.

(4) 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.

(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. In doing so, the department shall comply with all maintenance of effort requirements contained in the American reinvestment and recovery act.

(6) \$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.

(7)(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.

(8) 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.

(9) 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.

(10) Adult day health services shall only be authorized for in-home clients.

(11) \$3,955,000 of the general fund--state appropriation for fiscal year 2010, \$4,239,000 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 \$1,877,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for operation of the volunteer chore services program.

(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) \$204,000 of the general fund--state appropriation for fiscal year 2010, \$1,099,000 of the

general fund--state appropriation for fiscal year 2011, and \$1,697,000 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) Sufficient funding is provided in this section for the department to implement Engrossed Second Substitute House Bill No. 1935 (adult family homes). During the 2009-11 biennium, the initial licensing fee for an adult family home shall be set at \$900.00. During the 2009-11 biennium, the annual licensing renewal fee shall be set at \$100.00.

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

General Fund -- State Appropriation (FY 2010)	\$557,621,000
General Fund -- State Appropriation (FY 2011)	\$588,286,000
General Fund -- Federal Appropriation	\$1,140,367,000
General Fund -- Private/Local Appropriation	\$27,920,000
Administrative Contingency Account--State Appropriation	\$29,136,000
TOTAL APPROPRIATION	\$2,343,330,000

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

(1) \$303,196,000 of the general fund--state appropriation for fiscal year 2010, \$309,755,000 of the general fund--state appropriation for fiscal year 2011, \$29,136,000 of the administrative contingency account--state appropriation, and \$778,606,000 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) 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) 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;

(e) Maintain the fiscal year 2009 grant standard for the temporary assistance for needy families grant.

(2) 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) \$84,856,000 of the general fund--state appropriation for fiscal year 2010 and \$95,173,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for cash assistance and other services to recipients in the general assistance--unemployable program. Within these amounts:

(a) The department shall aggressively pursue opportunities to transfer general assistance unemployable 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;

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

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

(d) 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

(e) In addition to any earlier evaluation that may have been conducted, the department shall intensively evaluate those clients who have been receiving general assistance unemployable 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.

(f) The appropriations in this subsection reflect a change in the earned income disregard policy for general assistance unemployable clients. It is the intent of the legislature that the department shall adopt the temporary assistance for needy families earned income policy for general assistance unemployable.

(4) The department shall report to the legislature on outcomes of the reorganization of the

office of refugee and immigrant assistance. The report shall include information on efficiencies and outcomes related to client services, training and technical assistance to providers, and administrative oversight prior to the year of the reorganization compared to the outcomes achieved following the reorganization. In addition to self reporting the department shall solicit comments relevant to this report from service providers and the report shall include their responses. To increase transparency and understanding of the office's funding practices, the report shall also include information on the base budgets of funding sources for services provided by the office of refugee and immigrant assistance. A preliminary report shall be due to the legislature by December 1, 2009. A final report shall be due June 1, 2010.

(5) \$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 naturalization services.

(6)(a) \$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 \$3,550,000 of the general fund--state appropriation for fiscal year 2011 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.

(b) The legislature intends that the appropriation in this subsection for the 2009-11 fiscal biennium will maintain funding for refugee programs at a level at least equal to expenditures on these programs in the 2007-09 fiscal biennium.

(7) 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.

**Sec. 207 was partially vetoed. See message at end of chapter.*

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

General Fund -- State Appropriation (FY 2010)	\$82,117,000
General Fund -- State Appropriation (FY 2011)	\$84,772,000
General Fund -- Federal Appropriation	\$145,671,000
General Fund -- Private/Local Appropriation	\$2,719,000
Criminal Justice Treatment Account -- State Appropriation	\$17,747,000
Problem Gambling Account -- State Appropriation	\$1,459,000
TOTAL APPROPRIATION	\$334,485,000

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.

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

General Fund -- State Appropriation (FY 2010)	\$1,597,387,000
General Fund -- State Appropriation (FY 2011)	\$1,984,797,000
General Fund -- Federal Appropriation	\$5,210,672,000
General Fund -- Private/Local Appropriation	\$12,903,000
Emergency Medical Services and Trauma Care Systems	
Trust Account -- State Appropriation	\$15,076,000
Tobacco Prevention and Control Account --	
State Appropriation	\$3,766,000
TOTAL APPROPRIATION	\$8,824,601,000

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) \$1,110,000 of the general fund -- federal appropriation and \$1,105,000 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) \$9,818,000 of the general fund--state appropriation for fiscal year 2011, and \$9,865,000 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, (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. \$6,570,000 of the general fund--state appropriation for fiscal year 2010, which is appropriated in section 204(1) of this act, and \$1,500,000 of the general fund--state appropriation for fiscal year 2011, which is appropriated in section 204(1) of this act, are provided solely for state grants for the participating hospitals. Sufficient amounts are appropriated in this section for the remaining state grants for the participating hospitals.

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

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

(12) \$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.

(13) 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.

(14) Appropriations in this section are sufficient for the department to continue to fund family planning nurses in the community services offices.

(15) The department, in coordination with stakeholders, will conduct an analysis of potential savings in utilization of home dialysis. The department shall present its findings to the appropriate house of representatives and senate committees by December 2010.

(16) A maximum of \$166,875,000 of the general fund--state appropriation and \$38,389,000 of the general fund--federal appropriation may be expended in the fiscal biennium for the general assistance-unemployable medical program, 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 general assistance-unemployable. Pursuant to RCW 74.09.035, the department shall not expend for the general assistance medical care services program any amounts in excess of the amounts provided in this subsection.

(17) If the department determines that it is feasible within the amounts provided in subsection (16) of this section, and without the loss of federal disproportionate share hospital funds, the department shall contract with the carrier currently operating a managed care pilot project for the provision of medical care services to general assistance-unemployable clients. Mental health services shall be included in the services provided through the managed care system. If the department determines that it is feasible, effective October 1, 2009, in addition to serving clients in the pilot counties, the carrier shall expand managed care services to clients residing in at least the following counties: Spokane, Yakima, Chelan, Kitsap, and Cowlitz. If the department determines that it is feasible, the carrier shall complete implementation into the remaining

counties. Total per person costs to the state, including outpatient and inpatient services and any additional costs due to stop loss agreements, shall not exceed the per capita payments projected for the general assistance-unemployable eligibility category, by fiscal year, in the February 2009 medical assistance expenditures forecast. The department, in collaboration with the carrier, shall seek to improve the transition rate of general assistance clients to the federal supplemental security income program.

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

(19) 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.

(20) State funds shall not be used by hospitals for advertising purposes.

(21) 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.

(22) \$9,350,000 of the general fund--state appropriation for fiscal year 2010, \$8,313,000 of the general fund--state appropriation for fiscal year 2011, and \$20,371,000 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.

(23) \$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.

(24) 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.

(25) 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.

(26) \$425,000 of the general fund--state appropriation for fiscal year 2010, \$425,000 of the general fund--state appropriation for fiscal year 2011, and \$1,580,000 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.

(27) The department, in conjunction with the office of financial management, shall reduce outpatient and inpatient hospital rates and implement a prorated inpatient payment policy. In determining the level of reductions needed, the department shall include in its calculations services paid under fee-for-service, managed care, and certified public expenditure payment methods; but reductions shall not apply to payments for psychiatric inpatient services or payments to critical access hospitals.

(28) 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.

(29) 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.

(30) 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.

(31) 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.

(32) 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.

(33) The department shall direct graduate medical education funds to programs that focus on primary care training.

(34) \$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).

(35) \$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.

(36) 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.

**Sec. 209 was partially vetoed. See message at end of chapter.*

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

General Fund -- State Appropriation (FY 2010)	\$10,452,000
General Fund -- State Appropriation (FY 2011)	\$10,127,000
General Fund -- Federal Appropriation	\$83,553,000
Telecommunications Devices for the Hearing and Speech Impaired -- State Appropriation	\$1,979,000
TOTAL APPROPRIATION	\$106,111,000

The appropriations in this section are subject to the following conditions and limitations: The vocational rehabilitation program shall coordinate closely with the economic services program to serve general assistance unemployable clients 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.

NEW SECTION. Sec. 211 FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES -- SPECIAL COMMITMENT PROGRAM

General Fund -- State Appropriation (FY 2010)	\$54,027,000
General Fund -- State Appropriation (FY 2011)	\$53,137,000
TOTAL APPROPRIATION	\$107,164,000

NEW SECTION. Sec. 212 FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES -- ADMINISTRATION AND SUPPORTING SERVICES PROGRAM

General Fund -- State Appropriation (FY 2010)	\$34,549,000
General Fund -- State Appropriation (FY 2011)	\$34,843,000
General Fund -- Federal Appropriation	\$55,407,000
General Fund -- Private/Local Appropriation	\$1,526,000
TOTAL APPROPRIATION	\$126,325,000

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) \$150,000 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 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.

NEW SECTION. Sec. 213 FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES -- PAYMENTS TO OTHER AGENCIES PROGRAM

General Fund -- State Appropriation (FY 2010)	\$53,431,000
General Fund -- State Appropriation (FY 2011)	\$53,472,000
General Fund -- Federal Appropriation	\$49,494,000
TOTAL APPROPRIATION	\$156,397,000

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

General Fund -- State Appropriation (FY 2010)	\$206,295,000
General Fund -- State Appropriation (FY 2011)	\$182,138,000
General Fund -- Federal Appropriation	\$6,302,000
State Health Care Authority Administration Account -- State Appropriation	\$35,261,000
Medical Aid Account -- State Appropriation	\$529,000
TOTAL APPROPRIATION	\$430,525,000

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 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.

(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 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.

NEW SECTION. Sec. 215 FOR THE HUMAN RIGHTS COMMISSION

General Fund -- State Appropriation (FY 2010)	\$2,802,000
General Fund -- State Appropriation (FY 2011)	\$2,814,000
General Fund -- Federal Appropriation	\$1,299,000
TOTAL APPROPRIATION	\$6,915,000

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

Worker and Community Right-to-Know Account --	
State Appropriation	\$20,000
Accident Account -- State Appropriation	\$18,453,000
Medical Aid Account -- State Appropriation	\$18,453,000
TOTAL APPROPRIATION	\$36,926,000

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

General Fund -- State Appropriation (FY 2010)	\$19,146,000
General Fund -- State Appropriation (FY 2011)	\$19,176,000

General Fund--Private/Local Appropriation	\$200,000
Death Investigations Account -- State Appropriation	\$148,000
Municipal Criminal Justice Assistance Account -- State Appropriation	\$460,000
Washington Auto Theft Prevention Authority Account -- State Appropriation	\$5,844,000
TOTAL APPROPRIATION	\$44,974,000

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

(1) \$1,874,000 of the general fund--state appropriation for fiscal year 2010 and \$1,922,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for 10 additional basic law enforcement academies in fiscal year 2010 and 10 additional basic law enforcement academies in fiscal year 2011.

(2) \$1,191,000 of the general fund--state appropriation for fiscal year 2010 and \$1,191,000 of the general fund--state appropriation for fiscal year 2011 are 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).

(3) \$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.

(4) \$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.

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

General Fund -- State Appropriation (FY 2010)	\$24,224,000
General Fund -- State Appropriation (FY 2011)	\$25,237,000
General Fund -- Federal Appropriation	\$100,000
General Fund -- Federal Appropriation	\$10,000,000
Asbestos Account -- State Appropriation	\$924,000
Electrical License Account -- State Appropriation	\$43,162,000
Farm Labor Revolving Account -- Private/Local Appropriation	\$28,000
Worker and Community Right-to-Know Account -- State Appropriation	\$1,979,000
Public Works Administration Account -- State Appropriation	\$5,764,000
Manufactured Home Installation Training Account -- State Appropriation	\$138,000
Accident Account -- State Appropriation	\$248,281,000
Accident Account -- Federal Appropriation	\$13,622,000
Medical Aid Account -- State Appropriation	\$249,537,000
Medical Aid Account -- Federal Appropriation	\$3,186,000
Plumbing Certificate Account -- State Appropriation	\$1,693,000
Pressure Systems Safety Account -- State Appropriation	\$3,775,000
TOTAL APPROPRIATION	\$631,650,000

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). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(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). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(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). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(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). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(12) \$337,000 of the general fund--state appropriation for fiscal year 2010 and \$183,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Senate Bill No. 5895 (residential real property). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(13) \$394,000 of the accident account--state appropriation and \$394,000 of the medical aid account--state appropriation are provided solely for implementation of Senate Bill No. 6035 (retrospective rating plans). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(14) \$269,000 of the general fund--state appropriation for fiscal year 2010 and \$183,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of Engrossed Second Substitute House Bill No. 1393 (residential construction). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(15) \$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). If the bill is not enacted

by June 30, 2009, the amounts provided in this subsection shall lapse.

(16) \$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). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

**Sec. 218 was partially vetoed. See message at end of chapter.*

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

General Fund -- State Appropriation (FY 2010)	\$1,913,000
General Fund -- State Appropriation (FY 2011)	\$1,917,000
TOTAL APPROPRIATION	\$3,830,000

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

(1) HEADQUARTERS

General Fund -- State Appropriation (FY 2010)	\$1,913,000
General Fund -- State Appropriation (FY 2011)	\$1,899,000
Charitable, Educational, Penal, and Reformatory Institutions Account -- State Appropriation	\$10,000
TOTAL APPROPRIATION	\$3,822,000

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)	\$4,943,000
General Fund -- Federal Appropriation	\$1,842,000
General Fund -- Private/Local Appropriation	\$3,491,000
Veterans Innovations Program Account--State Appropriation	\$648,000
Veteran Estate Management Account--Private/Local Appropriation	\$1,069,000
TOTAL APPROPRIATION	\$16,878,000

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)	\$3,638,000
General Fund -- State Appropriation (FY 2011)	\$2,845,000
General Fund -- Federal Appropriation	\$50,791,000
General Fund -- Private/Local Appropriation	\$31,734,000
TOTAL APPROPRIATION	\$89,008,000

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.

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

General Fund -- State Appropriation (FY 2010)	\$1,229,000
General Fund -- State Appropriation (FY 2011)	\$1,221,000
TOTAL APPROPRIATION	\$2,450,000

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

General Fund -- State Appropriation (FY 2010)	\$108,879,000
General Fund -- State Appropriation (FY 2011)	\$84,169,000
General Fund -- Federal Appropriation	\$480,871,000
General Fund -- Private/Local Appropriation	\$138,846,000
Hospital Data Collection Account -- State Appropriation	\$326,000
Health Professions Account -- State Appropriation	\$76,218,000
Aquatic Lands Enhancement Account -- State Appropriation	\$603,000
Emergency Medical Services and Trauma Care Systems	
Trust Account -- State Appropriation	\$13,531,000
Safe Drinking Water Account -- State Appropriation	\$2,723,000
Drinking Water Assistance Account -- Federal	
Appropriation	\$22,817,000
Waterworks Operator Certification -- State Appropriation	\$1,519,000
Drinking Water Assistance Administrative Account --	
State Appropriation	\$326,000
State Toxics Control Account -- State Appropriation	\$3,600,000
Medical Test Site Licensure Account -- State Appropriation	\$2,117,000
Youth Tobacco Prevention Account -- State Appropriation	\$1,512,000
Public Health Supplemental Account -- Private/Local	
Appropriation	\$3,525,000
Accident Account -- State Appropriation	\$295,000
Medical Aid Account -- State Appropriation	\$48,000

Tobacco Prevention and Control Account --	
State Appropriation	\$46,884,000
Biotoxin Account--State Appropriation	\$1,165,000
TOTAL APPROPRIATION	\$989,974,000

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) 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).

(3) Within the amounts appropriated in this section, the department of health shall continue operations of the pesticide incident report and tracking review panel.

(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 \$58,000 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. There shall be no change to the current annual fees for new or renewed licenses for the midwifery program. The department shall convene the midwifery advisory committee on a quarterly basis to address issues related to licensed midwifery.

(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, or until state funds are exhausted, at which point state funding for the universal vaccine purchase program shall be discontinued. Funds from section 317 of the federal public health services act direct assistance shall not be used in lieu of state funds.

(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.

(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) Sufficient funds are provided in this section to continue the health care WorkForce survey pursuant to RCW 43.70.695.

**Sec. 222 was partially vetoed. See message at end of chapter.*

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

(1) ADMINISTRATION AND SUPPORT SERVICES

General Fund -- State Appropriation (FY 2010)	\$55,622,000
General Fund -- State Appropriation (FY 2011)	\$56,318,000
TOTAL APPROPRIATION	\$111,940,000

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)	\$459,575,000
General Fund -- State Appropriation (FY 2011)	\$629,070,000
General Fund -- Federal Appropriation	\$185,131,000
General Fund--Private/Local Appropriation	\$3,536,000
Washington Auto Theft Prevention Authority Account-- State Appropriation	\$5,960,000
TOTAL APPROPRIATION	\$1,283,272,000

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

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

(d) During the 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.

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

(f) The appropriations in this subsection are based upon savings assumed from the implementation of the following bills: Engrossed Senate Bill No. 6183 (illegal alien offenders), Engrossed House Bill No. 2194 (extraordinary medical placement), Senate Bill No. 6167 (crimes against property), Senate Bill No. 5525 (state institutions/release), chapter 147, Laws of 2009 (Substitute Senate Bill No. 5987) (corrections department personnel), and Substitute Senate Bill No. 6160 (criminal justice sentencing).

(g) 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.

(h) 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.

(i) \$11,863,000 of the general fund--state appropriation for fiscal year 2010, \$11,864,000 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.

(3) COMMUNITY SUPERVISION

General Fund -- State Appropriation (FY 2010)	\$152,122,000
General Fund -- State Appropriation (FY 2011)	\$141,982,000
General Fund--Federal Appropriation	\$750,000
TOTAL APPROPRIATION	\$294,854,000

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) \$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) \$375,000 of the general fund--state appropriation for fiscal year 2010 is provided solely as a matching amount of state funds for a federal second chance act grant and is contingent upon receipt of \$750,000 of federal funding under the second chance act.

(d) The appropriations in this subsection are based upon savings assumed from the implementation of Engrossed Substitute Senate Bill No. 5288 (supervision of offenders).

(e) \$2,791,000 of the general fund--state appropriation for fiscal year 2010 and \$3,166,000 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.

(4) CORRECTIONAL INDUSTRIES

General Fund -- State Appropriation (FY 2010)	\$2,574,000
General Fund -- State Appropriation (FY 2011)	\$2,565,000
TOTAL APPROPRIATION	\$5,139,000

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)	\$40,455,000
General Fund -- State Appropriation (FY 2011)	\$40,450,000
TOTAL APPROPRIATION	\$80,905,000

**Sec. 223 was partially vetoed. See message at end of chapter.*

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

General Fund -- State Appropriation (FY 2010)	\$2,544,000
General Fund -- State Appropriation (FY 2011)	\$2,550,000
General Fund -- Federal Appropriation	\$18,125,000
General Fund -- Private/Local Appropriation	\$20,000
TOTAL APPROPRIATION	\$23,239,000

The amounts appropriated in this section are subject to the following conditions and limitations: Sufficient amounts are appropriated in this section to support contracts for services that provide employment support and help with life activities for deaf and blind individuals in King county.

NEW SECTION. Sec. 225 FOR THE SENTENCING GUIDELINES COMMISSION

General Fund -- State Appropriation (FY 2010)	\$978,000
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General Fund -- State Appropriation (FY 2011) \$976,000
TOTAL APPROPRIATION \$1,954,000

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.

NEW SECTION. Sec. 226 FOR THE EMPLOYMENT SECURITY DEPARTMENT

General Fund -- State Appropriation (FY 2010) \$7,054,000
General Fund -- State Appropriation (FY 2011) \$53,000
General Fund -- Federal Appropriation \$320,561,000
General Fund -- Private/Local Appropriation \$33,825,000
Unemployment Compensation Administration
Account -- Federal Appropriation \$332,904,000
Administrative Contingency Account -- State
Appropriation \$293,000
Employment Service Administrative Account --
State Appropriation \$37,195,000
TOTAL APPROPRIATION \$731,885,000

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

(1) \$55,029,000 of the unemployment compensation administration account -- federal appropriation is provided from amounts made available to the state by section 903(d) of the social security act (Reed act). This amount is authorized to continue current unemployment insurance functions and department services to employers and job seekers.

(2) \$32,067,000 of the unemployment compensation administration account--federal appropriation is provided from amounts made available to the state by section 903(d) of the social security act (Reed act). This amount is authorized to 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.

(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). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(4) \$1,263,000 of the unemployment compensation administration account--federal appropriation is provided solely for implementation of Senate Bill No. 5963 (unemployment insurance). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(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) \$293,000 of the administrative contingency--state appropriation for fiscal year 2010 is provided solely for the implementation of House Bill No. 2227 (evergreen jobs act). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(7) \$7,000,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the implementation of Senate Bill No. 5809 (WorkForce employment and training). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(End of part)

PART III NATURAL RESOURCES

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

General Fund -- State Appropriation (FY 2010)	\$441,000
General Fund -- State Appropriation (FY 2011)	\$445,000
General Fund -- Federal Appropriation	\$30,000
General Fund -- Private/Local Appropriation	\$864,000
TOTAL APPROPRIATION	\$1,780,000

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

General Fund -- State Appropriation (FY 2010)	\$60,166,000
General Fund -- State Appropriation (FY 2011)	\$58,190,000
General Fund -- Federal Appropriation	\$82,452,000
General Fund -- Private/Local Appropriation	\$16,668,000
Special Grass Seed Burning Research Account -- State Appropriation	\$14,000
Reclamation Account -- State Appropriation	\$3,679,000
Flood Control Assistance Account -- State Appropriation	\$1,965,000
Waste Reduction/Recycling/Litter Control -- State Appropriation	\$14,554,000
State and Local Improvements Revolving Account (Water Supply Facilities) -- State Appropriation	\$426,000
Freshwater Aquatic Algae Control Account -- State Appropriation	\$509,000

Water Rights Tracking System Account -- State	
Appropriation	\$116,000
Site Closure Account -- State Appropriation	\$706,000
Wood Stove Education and Enforcement Account --	
State Appropriation	\$612,000
Worker and Community Right-to-Know Account --	
State Appropriation	\$1,670,000
State Toxics Control Account -- State Appropriation	\$101,727,000
State Toxics Control Account -- Private/Local	
Appropriation	\$383,000
Local Toxics Control Account -- State Appropriation	\$24,730,000
Water Quality Permit Account -- State Appropriation	\$37,433,000
Underground Storage Tank Account -- State	
Appropriation	\$3,298,000
Biosolids Permit Account -- State Appropriation	\$1,413,000
Hazardous Waste Assistance Account -- State	
Appropriation	\$5,930,000
Air Pollution Control Account -- State Appropriation	\$2,843,000
Oil Spill Prevention Account -- State Appropriation	\$10,688,000
Air Operating Permit Account -- State Appropriation	\$2,783,000
Freshwater Aquatic Weeds Account -- State	
Appropriation	\$1,699,000
Oil Spill Response Account -- State Appropriation	\$7,078,000
Metals Mining Account -- State Appropriation	\$14,000
Water Pollution Control Revolving Account -- State	
Appropriation	\$465,000
Water Pollution Control Revolving Account -- Federal	
Appropriation	\$1,940,000
<i>Emissions Reduction Assistance Account--State</i>	
<i>Appropriation</i>	<i>\$49,000</i>
TOTAL APPROPRIATION	\$444,200,000

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) \$813,000 of the air pollution control account--state appropriation and \$49,000 of the emissions reduction account--state appropriation are provided solely for implementation of Engrossed Second Substitute Senate Bill No. 5735 (reducing greenhouse gas emissions). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(12) \$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.

(13) \$225,000 of the general fund--state appropriation for fiscal year 2010 and \$193,000 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.

(14) \$150,000 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 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.

(15) \$215,000 of the general fund--state appropriation for fiscal year 2010 and \$235,000 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.

(16) \$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 for the purpose of supporting the trust water rights program and processing trust water right transfer applications that improve instream flow.

(17)(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.

(18) \$22,000 of the state toxics control account--state appropriation is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 5282 (bisphenol A use). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(19) \$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.

(20) 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.

(21) 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.

(22) 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.

(23) During the 2009-11 biennium, the department shall implement its cost reimbursement authority for processing water right applications using a competitive bidding process. For each cost reimbursement application, the department shall obtain cost proposals and other necessary information from at least three prequalified costs reimbursement consultants and shall select the lowest responsive bidder.

(24) \$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.

(25) 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.

**Sec. 302 was partially vetoed. See message at end of chapter.*

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

General Fund -- State Appropriation (FY 2010)	\$23,541,000
General Fund -- State Appropriation (FY 2011)	\$22,944,000
General Fund -- Federal Appropriation	\$5,902,000
General Fund -- Private/Local Appropriation	\$73,000
Winter Recreation Program Account -- State Appropriation	\$1,558,000
Off Road Vehicle Account -- State Appropriation	\$239,000
Snowmobile Account -- State Appropriation	\$4,842,000
Aquatic Lands Enhancement Account -- State Appropriation	\$363,000
Recreation Resources Account--State Appropriation	\$9,802,000
NOVA Program Account--State Appropriation	\$9,560,000
Parks Renewal and Stewardship Account -- State Appropriation	\$73,278,000
Parks Renewal and Stewardship Account -- Private/Local Appropriation	\$300,000
TOTAL APPROPRIATION	\$152,402,000

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 \$79,000 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) \$1,500,000 of the parks renewal and stewardship account--state appropriation is provided solely to implement Substitute House Bill No. 2109 (state parks and recreation funding). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(3) Proceeds received from voluntary donations given by motor vehicle registration applicants shall be used solely for the operation and maintenance of state parks.

(4) The commission shall actively pursue transferring ownership of state parks to local governments, tribes, or other entities that have expressed an interest in operating the park. The commission shall provide biannual updates of this effort to the office of financial management and the appropriate fiscal committees of the legislature. The first report shall be submitted no later than December 1, 2009.

(5) 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.

(6) 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. 303 was partially vetoed. See message at end of chapter.*

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

General Fund -- State Appropriation (FY 2010)	\$1,511,000
General Fund -- State Appropriation (FY 2011)	\$1,558,000
General Fund -- Federal Appropriation	\$10,431,000
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	\$2,805,000
NOVA Program Account -- State Appropriation	\$1,062,000
TOTAL APPROPRIATION	\$17,934,000

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 \$244,000 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.

NEW SECTION. Sec. 305 FOR THE ENVIRONMENTAL HEARINGS OFFICE

General Fund -- State Appropriation (FY 2010) \$1,079,000
General Fund -- State Appropriation (FY 2011) \$1,074,000
TOTAL APPROPRIATION \$2,153,000

NEW SECTION. Sec. 306 FOR THE CONSERVATION COMMISSION

General Fund -- State Appropriation (FY 2010) \$7,692,000
General Fund -- State Appropriation (FY 2011) \$7,707,000
General Fund -- Federal Appropriation \$1,179,000
TOTAL APPROPRIATION \$16,578,000

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

General Fund -- State Appropriation (FY 2010) \$41,234,000
General Fund -- State Appropriation (FY 2011) \$39,939,000
General Fund -- Federal Appropriation \$86,330,000
General Fund -- Private/Local Appropriation \$47,490,000
Off Road Vehicle Account -- State Appropriation \$415,000
Aquatic Lands Enhancement Account -- State
Appropriation \$6,757,000
Recreational Fisheries Enhancement -- State
Appropriation \$3,640,000
Warm Water Game Fish Account -- State Appropriation \$2,877,000
Eastern Washington Pheasant Enhancement Account --
State Appropriation \$848,000
Aquatic Invasive Species Enforcement Account --
State Appropriation \$207,000
Aquatic Invasive Species Prevention Account --
State Appropriation \$844,000
Wildlife Account -- State Appropriation \$74,744,000
Game Special Wildlife Account -- State Appropriation \$2,381,000
Game Special Wildlife Account -- Federal Appropriation \$8,928,000
Game Special Wildlife Account -- Private/Local
Appropriation \$487,000
Wildlife Rehabilitation Account -- State Appropriation \$270,000
Regional Fisheries Salmonid Recovery Account --
Federal Appropriation \$5,001,000
Oil Spill Prevention Account -- State Appropriation \$884,000
Oyster Reserve Land Account -- State Appropriation \$918,000
TOTAL APPROPRIATION \$324,194,000

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, 2011.

(5) \$66,000 of the state wildlife account--state appropriation is provided solely to implement Substitute House Bill No. 1972 (outdoor recreation info). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(6) \$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.

(7) \$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.

(8) \$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 removal of derelict gear in Washington waters.

(9) The department of fish and wildlife shall dispose of all fixed wing 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.

(10) \$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.

(11) \$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.

(12) 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.

(13) \$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.

**Sec. 307 was partially vetoed. See message at end of chapter.*

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

General Fund -- State Appropriation (FY 2010)	\$40,275,000
General Fund -- State Appropriation (FY 2011)	\$40,857,000
General Fund -- Federal Appropriation	\$26,731,000
General Fund -- Private/Local Appropriation	\$1,371,000
Forest Development Account -- State Appropriation	\$41,765,000
Off Road Vehicle Account -- State Appropriation	\$4,236,000
Surveys and Maps Account -- State Appropriation	\$2,543,000
Aquatic Lands Enhancement Account -- State Appropriation	\$7,217,000
Resources Management Cost Account -- State Appropriation	\$78,951,000
Surface Mining Reclamation Account -- State Appropriation	\$3,490,000
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	\$1,336,000
Natural Resources Conservation Areas Stewardship	
Account -- State Appropriation	\$34,000
State Toxics Control Account -- State Appropriation	\$80,000
Air Pollution Control Account -- State Appropriation	\$569,000
NOVA Program Account -- State Appropriation	\$982,000
Derelict Vessel Removal Account -- State Appropriation	\$1,754,000
Agricultural College Trust Management Account --	
State Appropriation	\$2,643,000
TOTAL APPROPRIATION	\$267,834,000

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 \$1,299,000 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) \$11,128,000 of the general fund -- state appropriation for fiscal year 2010, \$11,128,000 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. 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 natural resources equipment revolving fund. At the expiration of current leases, the department shall lease facilities in eastern Washington sufficient to house the necessary aircraft, mechanics, and pilots used for forest fire prevention and suppression.

(9) \$30,000 of the general fund--state appropriation for fiscal year 2010 and \$30,000 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.

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

General Fund -- State Appropriation (FY 2010)	\$12,616,000
General Fund -- State Appropriation (FY 2011)	\$12,295,000
General Fund -- Federal Appropriation	\$11,565,000
General Fund -- Private/Local Appropriation	\$194,000
Aquatic Lands Enhancement Account -- State Appropriation	\$2,559,000
State Toxics Control Account -- State Appropriation	\$4,298,000
Water Quality Permit Account -- State Appropriation	\$61,000
TOTAL APPROPRIATION	\$43,588,000

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) Within the amounts appropriated in this section, the department of agriculture shall convene meetings with the dairy industry representatives and affected groups to consider alternatives for stabilizing farm milk prices. The department of agriculture shall provide a report of findings to the appropriate committees of the legislature and the office of financial management no later than December 15, 2009.

(5) \$63,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for implementation of Engrossed Substitute Bill No. 5005 (naturally raised beef cattle). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

**Sec. 309 was partially vetoed. See message at end of chapter.*

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

Pollution Liability Insurance Program Trust
Account -- State Appropriation \$638,000

NEW SECTION. Sec. 311 FOR THE PUGET SOUND PARTNERSHIP

General Fund -- State Appropriation (FY 2010) \$3,223,000
General Fund -- State Appropriation (FY 2011) \$3,194,000
General Fund -- Federal Appropriation \$3,623,000
Aquatic Lands Enhancement Account -- State Appropriation \$500,000
State Toxics Control Account -- State Appropriation \$896,000
TOTAL APPROPRIATION \$11,436,000

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) \$896,000 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) \$877,000 of the general fund--state appropriation for fiscal year 2010 and \$877,000 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.

NEW SECTION. Sec. 312 Transfers from natural resource funds in part VIII of this act are intended to support natural resource agencies.

(End of part)

**PART IV
TRANSPORTATION**

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

General Fund -- State Appropriation (FY 2010) \$1,668,000

General Fund -- State Appropriation (FY 2011)	\$1,712,000
Architects' License Account -- State Appropriation	\$1,056,000
Cemetery Account -- State Appropriation	\$414,000
Professional Engineers' Account -- State Appropriation	\$3,586,000
Real Estate Commission Account -- State Appropriation	\$10,047,000
Master License Account -- State Appropriation	\$15,718,000
Uniform Commercial Code Account -- State Appropriation	\$3,100,000
Real Estate Education Account -- State Appropriation	\$276,000
Real Estate Appraiser Commission Account -- State Appropriation	\$1,692,000
Business and Professions Account -- State Appropriation	\$15,270,000
Real Estate Research Account -- State Appropriation	\$320,000
Funeral Directors And Embalmers Account -- State Appropriation	\$885,000
Geologists' Account -- State Appropriation	\$53,000
Derelict Vessel Removal Account -- State Appropriation	\$31,000
TOTAL APPROPRIATION	\$55,828,000

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) ***\$289,000 of the architects' license account--state appropriation is provided solely to implement Senate Bill No. 5529 (architects). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.***
- (4) \$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.

**Sec. 401 was partially vetoed. See message at end of chapter.*

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

General Fund -- State Appropriation (FY 2010)	\$41,468,000
General Fund -- State Appropriation (FY 2011)	\$40,366,000
General Fund -- Federal Appropriation	\$11,401,000
General Fund -- Private/Local Appropriation	\$3,568,000
Death Investigations Account -- State Appropriation	\$6,022,000
Enhanced 911 Account -- State Appropriation	\$589,000
County Criminal Justice Assistance Account -- State Appropriation	\$3,122,000
Municipal Criminal Justice Assistance Account -- State Appropriation	\$1,245,000
Fire Service Trust Account -- State Appropriation	\$131,000
Disaster Response Account -- State Appropriation	\$8,002,000

Fire Service Training Account -- State Appropriation	\$8,717,000
Aquatic Invasive Species Enforcement Account -- State Appropriation	\$54,000
State Toxics Control Account -- State Appropriation	\$504,000
Fingerprint Identification Account -- State Appropriation	\$7,371,000
TOTAL APPROPRIATION	\$132,560,000

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 state patrol shall implement a cost recovery method to fully recover costs for operating the two king air airplanes. Users of the plane, including the state patrol and the governor's office, shall be charged an appropriate amount to cover all operating and maintenance costs of the plane. The state patrol shall report on this method, the rates being charged, total operational expenses, and information regarding usage of the planes to the office of financial management and the appropriate committees of the legislature.

(4) 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.

(5) 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.

(6) \$400,000 of the fire service training account--state appropriation is provided solely for the firefighter apprenticeship training program.

(7) \$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.

**Sec. 402 was partially vetoed. See message at end of chapter.*

(End of part)

**PART V
EDUCATION**

NEW SECTION. Sec. 501 FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION
General Fund -- State Appropriation (FY 2010) \$34,798,000

General Fund -- State Appropriation (FY 2011)	\$32,969,000
General Fund -- Federal Appropriation	\$86,571,000
TOTAL APPROPRIATION	\$154,338,000

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

(1) A maximum of \$22,532,000 of the general fund--state appropriation for fiscal year 2010 and \$21,023,000 of the general fund--state appropriation for fiscal year 2011 is for state agency operations.

(a) \$11,792,000 of the general fund -- state appropriation for fiscal year 2010 and \$11,325,000 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, via the monthly report of school district enrollment, accurate monthly headcount and FTE enrollments for students in internet alternative learning experience (ALE) programs as well as information about resident and serving districts.

(iii) \$927,000 of the general fund--state appropriation for fiscal year 2010 and \$941,000 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.

(b) \$965,000 of the general fund -- state appropriation for fiscal year 2010 and \$965,000 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.

(c) \$5,366,000 of the general fund--state appropriation for fiscal year 2010 and \$5,264,000 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 \$1,070,000 in fiscal year 2011 are for the operation and expenses of the Washington professional educator standards board, including administering the alternative routes to certification program, pipeline for paraeducators conditional scholarship loan program, and the retooling to teach math conditional loan program;

(ii) \$3,431,000 of the general fund--state appropriation for fiscal year 2010 and \$3,431,000 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. Of these amounts:

(A) \$500,000 each year is for conditional scholarships to candidates seeking an endorsement in special education, math, science, or bilingual education;

(B) \$2,372,000 for fiscal year 2010 and \$2,372,000 for fiscal year 2011 are for the expansion of conditional scholarship loans and mentor stipends for individuals enrolled in alternative route

state partnership programs and seeking endorsements in math, science, special education or bilingual education;

(C) Any remaining amounts in this subsection (c) shall be used to continue existing alternative routes to certification programs; and

(D) Candidates seeking math and science endorsements under (A) and (B) of this subsection shall receive priority for funding;

(iii) \$231,000 of the general fund--state appropriation for fiscal year 2010 and \$231,000 of the general fund--state appropriation for fiscal year 2011 are for the recruiting Washington teachers program;

(iv) \$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 provided in this subsection are for \$4,000 conditional loan stipends for paraeducators participating in the pipeline for paraeducators program;

(v) \$244,000 of the general fund--state appropriation for fiscal year 2010 and \$244,000 of the general fund--state appropriation for fiscal year 2011 are for conditional stipends for certificated teachers pursuing a mathematics or science endorsement under the retooling to teach mathematics or science program. The conditional stipends shall be for endorsement exam fees as well as stipends for teachers who must also complete coursework; and

(vi) \$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). The professional educator standards board (PESB) will convene a workgroup to identify a list of model standards for cultural competency and make recommendations to the education committees of the legislature on the strengths and weaknesses of those standards. Funding is also included here in the amount of \$10,000 for the PESB to develop an interagency agreement with the center for the improvement of student learning to participate.

(d) \$1,099,000 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.

(e) \$1,227,000 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.

(f) \$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 to promote the financial literacy of students. The effort will be coordinated through the financial education public-private partnership.

(g) 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.

(h) \$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).

(i) \$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).

(j) \$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 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) \$12,836,000 of the general fund--state appropriation for fiscal year 2010, \$12,407,000 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 \$2,541,000 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 \$100,000 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 \$96,000 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 and \$70,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the youth suicide prevention program.

(vi) \$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 a nonviolence and leadership training program provided by the institute for community leadership.

(b) TECHNOLOGY

(i) \$1,939,000 of the general fund -- state appropriation for fiscal year 2010 and \$1,939,000 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. A preliminary report shall be submitted to the fiscal committees and the education policy committees of the house of representatives and senate by November 2009.

(iii) \$1,656,000 of the general fund--federal appropriation for fiscal year 2010 and \$2,483,000 of the general fund--federal appropriation for fiscal year 2011 of the American recovery and reinvestment act (ARRA) 2009 funds for education technology are provided solely for distribution to school districts, by formula, as provided in the ARRA and related federal guidelines. \$4,139,000 of the general fund--federal appropriation of the American recovery and reinvestment act (ARRA) 2009 funds for education technology shall be awarded to local education agencies through a competitive grant process.

(c) GRANTS AND ALLOCATIONS

(i) \$1,329,000 of the general fund--state appropriation for fiscal year 2010 and \$1,329,000 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 and \$25,000 of the general fund -- state appropriation for fiscal year 2011 are 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 \$175,000 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) \$3,219,000 of the general fund--state appropriation for fiscal year 2010 and \$3,220,000 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) \$675,000 of the general fund--state appropriation for fiscal year 2010 and \$675,000 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) \$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 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 compaña quetzal to provide for three initiatives: (A) Early childhood education; (B) parent leadership training; and (C) high school success and college preparation programs. (viii) \$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 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 \$145,000 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 \$97,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to support vocational student leadership organizations.

(xi) \$25,000 of the general--state appropriation for fiscal year 2010 and \$25,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the communities in school program in Pierce county.

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

General Fund -- State Appropriation (FY 2010)	\$5,083,217,000
General Fund -- State Appropriation (FY 2011)	\$5,103,543,000
TOTAL APPROPRIATION	\$10,186,760,000

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

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

(2) Allocations for certificated staff salaries for the 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) Fifty-three and two-tenths certificated instructional staff units per thousand full-time equivalent students in grades K-4 for districts that enroll fewer than 25 percent of their total full-time equivalent student enrollment in grades K-4 in digital or online learning programs defined in WAC 392-121-182.

(B) All other districts shall be allocated a minimum of forty-nine certificated instructional staff units per 1,000 full-time-equivalent (FTE) students in grades K through four, and shall be allocated additional certificated instructional staff units to equal the documented staffing level in grades K through four, up to a maximum of fifty-three and two-tenths certificated instructional staff units per 1,000 FTE students.

(C) Certificated instructional staff allocations in this subsection (2)(a)(ii) exceeding the statutory minimums established in RCW 28A.150.260 shall not be considered part of basic education.

(iii) Forty-six certificated instructional staff units per thousand full-time equivalent students in grades 5-12;

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

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

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

(B) Skills center programs meeting the standards for skills center funding established in January 1999 by the superintendent of public instruction 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 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 16.58 percent in the 2009-10 school year and 16.58 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 \$10,445 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 \$25,449 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 \$19,744 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 \$7,288,000 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 \$577,000 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 \$2,385,000 for the 2011 fiscal year. 20 percent of each fiscal year amount may carry over from one year to the next;

(iii) A maximum of \$404,000 may be expended for school district emergencies; and

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

(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.

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

(1) The following calculations determine the salaries used in the general fund allocations for certificated instructional, certificated administrative, and classified staff units under section 502 of this act:

(a) Salary allocations for certificated instructional staff units shall be determined for each district by multiplying the district's certificated instructional total base salary shown on LEAP Document 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 shall be 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 22, 2009, at 08:22 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 22, 2009, at 08:22 hours.

(3) Incremental fringe benefit factors shall be applied to salary adjustments at a rate of 14.43 percent for school year 2009-10 and 14.43 percent for school year 2010-11 for certificated staff and for classified staff 16.58 percent for school year 2009-10 and 16.58 percent for the 2010-11 school year.

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

Table Of Total Base Salaries For Certificated Instructional Staff
For School Year 2009-10

Years of Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	MA+90 or PHD
0	34,237	35,162	36,120	37,080	40,161	42,145	41,047	44,128	46,115
1	34,698	35,635	36,606	37,608	40,721	42,695	41,503	44,617	46,589
2	35,137	36,083	37,064	38,144	41,248	43,242	41,963	45,067	47,061
3	35,589	36,545	37,536	38,650	41,749	43,791	42,398	45,494	47,538
4	36,033	37,031	38,028	39,180	42,297	44,354	42,855	45,971	48,030
5	36,492	37,494	38,501	39,718	42,823	44,921	43,319	46,425	48,523
6	36,963	37,943	38,984	40,262	43,352	45,462	43,794	46,885	48,993
7	37,790	38,786	39,841	41,187	44,324	46,491	44,685	47,820	49,989
8	39,002	40,052	41,132	42,590	45,768	48,016	46,086	49,266	51,512
9		41,363	42,497	44,008	47,260	49,584	47,503	50,757	53,081
10			43,877	45,498	48,794	51,195	48,995	52,291	54,692
11				47,032	50,399	52,849	50,528	53,897	56,345
12				48,517	52,048	54,571	52,122	55,545	58,068
13					53,737	56,335	53,773	57,234	59,831
14					55,434	58,165	55,471	59,042	61,663
15					56,877	59,679	56,913	60,577	63,266
16 or more					58,014	60,871	58,051	61,788	64,531

Table Of Total Base Salaries For Certificated Instructional Staff
For School Year 2010-11

Years of Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	MA+90 or PHD
0	34,237	35,162	36,120	37,080	40,161	42,145	41,047	44,128	46,115
1	34,698	35,635	36,606	37,608	40,721	42,695	41,503	44,617	46,589
2	35,137	36,083	37,064	38,144	41,248	43,242	41,963	45,067	47,061

3	35,589	36,545	37,536	38,650	41,749	43,791	42,398	45,494	47,538
4	36,033	37,031	38,028	39,180	42,297	44,354	42,855	45,971	48,030
5	36,492	37,494	38,501	39,718	42,823	44,921	43,319	46,425	48,523
6	36,963	37,943	38,984	40,262	43,352	45,462	43,794	46,885	48,993
7	37,790	38,786	39,841	41,187	44,324	46,491	44,685	47,820	49,989
8	39,002	40,052	41,132	42,590	45,768	48,016	46,086	49,266	51,512
9		41,363	42,497	44,008	47,260	49,584	47,503	50,757	53,081
10			43,877	45,498	48,794	51,195	48,995	52,291	54,692
11				47,032	50,399	52,849	50,528	53,897	56,345
12				48,517	52,048	54,571	52,122	55,545	58,068
13					53,737	56,335	53,773	57,234	59,831
14					55,434	58,165	55,471	59,042	61,663
15					56,877	59,679	56,913	60,577	63,266
16 or more					58,014	60,871	58,051	61,788	64,531

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

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

(i) Credits earned since receiving the masters degree; and

(ii) Any credits in excess of forty-five credits that were earned after the baccalaureate degree but before the masters degree.

(5) For the purposes of this section:

(a) "BA" means a baccalaureate degree.

(b) "MA" means a masters degree.

(c) "PHD" means a doctorate degree.

(d) "Years of service" shall be calculated under the same rules adopted by the superintendent of public instruction.

(e) "Credits" means college quarter hour credits and equivalent in-service credits computed in accordance with RCW 28A.415.020 and 28A.415.023.

(6) No more than ninety college quarter-hour credits received by any employee after the baccalaureate degree may be used to determine compensation allocations under the state salary allocation schedule and LEAP documents referenced in this act, or any replacement schedules and documents, unless:

(a) The employee has a masters degree; or

(b) The credits were used in generating state salary allocations before January 1, 1992.

(7) The certificated instructional staff base salary specified for each district in LEAP

Document 2 and the salary schedules in subsection (4)(a) of this section include one learning improvement day. A school district is eligible for the learning improvement day funds only if the learning improvement day has been added to the 180-day contract year. If fewer days are added, the additional learning improvement allocation shall be adjusted accordingly. The additional day

shall be limited to specific activities identified in the state required school improvement plan related to improving student learning that are consistent with education reform implementation, and shall not be considered part of basic education. The principal in each school shall assure that the days are used to provide the necessary school-wide, all staff professional development that is tied directly to the school improvement plan. The school principal and the district superintendent shall maintain documentation as to their approval of these activities. The length of a learning improvement day shall not be less than the length of a full day under the base contract. The superintendent of public instruction shall ensure that school districts adhere to the intent and purposes of this subsection.

(8) The salary allocation schedules established in this section are for allocation purposes only except as provided in RCW 28A.400.200(2).

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

General Fund -- State Appropriation (FY 2010)	(\$4,215,000)
General Fund -- State Appropriation (FY 2011)	\$14,172,000
General Fund--Federal Appropriation	\$6,000
TOTAL APPROPRIATION	\$9,963,000

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 13.08 percent for the 2009-10 school year and 13.08 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)	(\$1.49)
Transitional Bilingual Education (per eligible bilingual student)	(\$3.93)	(\$3.93)
Learning Assistance (per formula student)	(\$1.18)	(\$1.18)

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

(2) \$44,188,000 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)	\$0.82	\$2.22
Transitional Bilingual Education (per eligible bilingual student)	\$2.10	\$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.

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

General Fund -- State Appropriation (FY 2010)	\$307,357,000
General Fund -- State Appropriation (FY 2011)	\$307,070,000
TOTAL APPROPRIATION	\$614,427,000

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 \$894,000 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 \$48.40 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 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).

NEW SECTION. Sec. 506 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)	\$3,159,000
General Fund -- Federal Appropriation	\$281,988,000
TOTAL APPROPRIATION	\$288,306,000

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 and \$3,000,000 of the general fund -- state appropriation for fiscal year 2011 are provided for state matching money for federal child nutrition programs.

(2) \$100,000 of the general fund -- state appropriation for fiscal year 2010 and \$100,000 of the 2011 fiscal year appropriation are provided for summer food programs for children in low-income areas.

(3) \$59,000 of the general fund -- state appropriation for fiscal year 2010 and \$59,000 of the general fund -- state appropriation for fiscal year 2011 are 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) \$1,588,000 of the general fund--federal appropriation of American recovery and reinvestment act of 2009 (ARRA) funds is provided solely for equipment assistance to school food authorities (SFAs) participating in the national school lunch program (NSLP). Local SFAs may apply to the office of the superintendent of public instruction to receive grants in accordance with provisions of the ARRA. As stipulated in the ARRA, priority will be given to SFAs for

equipment for schools in which at least 50 percent of the students are eligible for free or reduced-priced meals.

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

General Fund -- State Appropriation (FY 2010)	\$640,959,000
General Fund -- State Appropriation (FY 2011)	\$652,388,000
General Fund -- Federal Appropriation	\$656,052,000
Education Legacy Trust Account--State Appropriation	\$756,000
TOTAL APPROPRIATION	\$1,950,155,000

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.

(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, \$73,668,000 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.

(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) \$221,357,000 of the general fund--federal appropriation of American recovery and reinvestment act of 2009 funds is provided solely for the individuals with disabilities education act (IDEA), Part B, for distribution to school districts. The funds' use is to be consistent with the current IDEA, Part B statutory and regulatory requirements.

(17) \$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.

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

General Fund -- State Appropriation (FY 2010)	\$8,394,000
General Fund -- State Appropriation (FY 2011)	\$8,395,000
TOTAL APPROPRIATION	\$16,789,000

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) \$3,355,000 of the general fund--state appropriation for fiscal year 2010 and \$3,355,000 of the general fund--state appropriation for fiscal year 2011 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. The office of superintendent of public instruction shall also allocate to each educational service district additional amounts provided in section 504 of this act for compensation increases associated with the salary amounts and staffing provided in this subsection (2).
- (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.

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

General Fund -- State Appropriation (FY 2010)	\$42,921,000
General Fund -- State Appropriation (FY 2011)	\$209,997,000
General Fund--Federal Appropriation	\$176,284,000
TOTAL APPROPRIATION	\$429,202,000

The appropriations in this section are subject to the following conditions and limitations: \$176,284,000 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.

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

General Fund -- State Appropriation (FY 2010)	\$18,943,000
General Fund -- State Appropriation (FY 2011)	\$17,992,000
TOTAL APPROPRIATION	\$36,935,000

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

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

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

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

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

(5) \$329,000 of the general fund -- state appropriation for fiscal year 2010 and \$329,000 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.

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

General Fund -- State Appropriation (FY 2010)	\$9,430,000
General Fund -- State Appropriation (FY 2011)	\$9,437,000
TOTAL APPROPRIATION	\$18,867,000

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. 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 \$90,000 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 \$170,000 of the fiscal year 2011 appropriation are provided for the centrum program at Fort Worden state park.

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

ACT

General Fund -- Federal Appropriation \$43,450,000

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

General Fund -- State Appropriation (FY 2010) \$95,181,000

General Fund -- State Appropriation (FY 2011) \$102,512,000

General Fund -- Federal Appropriation \$152,626,000

Education Legacy Trust Account--State

Appropriation \$95,112,000

TOTAL APPROPRIATION \$445,431,000

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

(1) \$36,806,000 of the general fund -- state appropriation for fiscal year 2010, \$34,516,000 of the general fund -- state appropriation for fiscal year 2011, \$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 assessments of student learning (WASL), including: (i) Development and implementation of retake assessments for high school students who are not successful in one or more content areas of the WASL; 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 WASL 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) \$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.

(4) \$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.

(5) \$3,850,000 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.

(6) \$1,781,000 of the general fund--state appropriation for fiscal year 2010 and \$1,943,000 of the general fund--state appropriation for fiscal year 2011 are 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.

(7) \$139,000 of the general fund--state appropriation for fiscal year 2010 and \$139,000 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.

(8) \$1,579,000 of the general fund--state appropriation for fiscal year 2010 and \$1,579,000 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.

(9) \$81,010,000 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.

(10) \$700,000 of the general fund--state appropriation for fiscal year 2010 and \$900,000 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.

(11) \$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.

(12) \$3,046,000 of the general fund--state appropriation for fiscal year 2010 and \$3,046,000 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 may be used for focused assistance programs for individual schools as well as school districts.

(13) \$30,702,000 of the general fund -- federal appropriation is provided for the reading first program under Title I of the no child left behind act.

(14) \$1,667,000 of the general fund--state appropriation for fiscal year 2010 and \$1,667,000 of the general fund--state appropriation for fiscal year 2011 are 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 and \$5,285,000 of the general fund--state appropriation for fiscal year 2011 are 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) \$1,056,000 of the general fund -- state appropriation for fiscal year 2010 and \$1,056,000 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) \$3,594,000 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) \$1,959,000 of the general fund -- state appropriation for fiscal year 2010 and \$1,959,000 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 \$225,000 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) \$250,000 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) \$28,270,000 of the general fund--state appropriation for fiscal year 2010 and \$36,513,000 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. National board certified teachers who become public school principals shall continue to receive this bonus for as long as they are principals and maintain the national board certification;

(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 appropriation, 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) \$2,750,000 of the general fund--state appropriation for fiscal year 2010 and \$2,750,000 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.

(23) \$300,000 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 local farms-healthy kids program as described in chapter 215, Laws of 2008.

(24) \$2,348,000 of the general fund--state appropriation for fiscal year 2010 and \$2,348,000 of the general fund--state appropriation for fiscal year 2011 are appropriated 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.

(25) \$4,400,000 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.

(26) \$70,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for implementation of Engrossed Substitute Senate Bill No. 5414 (statewide assessments and curricula).

(27) \$530,000 of the general fund--state appropriation for fiscal year 2010 and \$530,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the leadership internship program for superintendents, principals, and program administrators.

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

General Fund -- State Appropriation (FY 2010)	\$77,994,000
General Fund -- State Appropriation (FY 2011)	\$80,937,000
General Fund -- Federal Appropriation	\$45,263,000
TOTAL APPROPRIATION	\$204,194,000

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.

**NEW SECTION. Sec. 515 FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION
-- FOR THE LEARNING ASSISTANCE PROGRAM**

General Fund -- State Appropriation (FY 2010)	\$101,067,000
General Fund -- State Appropriation (FY 2011)	\$102,237,000
General Fund -- Federal Appropriation	\$543,925,000
Education Legacy Trust Account--State Appropriation	\$47,980,000
TOTAL APPROPRIATION	\$795,209,000

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 \$282.63 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) The general fund -- federal appropriation in this section is provided for Title I Part A allocations of the no child left behind act of 2001.

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

(4) 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.

(5) Within amounts appropriated in this section, funding is provided for the implementation of extended learning programs required in chapter 328, Laws of 2008.

(6) \$51,970,000 of the general fund--federal appropriation for fiscal year 2010 and \$77,955,000 of the general fund--federal appropriation for fiscal year 2011 of American recovery and reinvestment act of 2009 (ARRA) Title I, Part A funds are in addition to regular Title I, Part A allocations solely for allocation to eligible school districts in accordance with the guidelines of ARRA.

(7) \$48,981,000 of the general fund--federal appropriation from the American recovery and reinvestment act of 2009 (ARRA) is for school improvement. This consists of 4 percent, or \$5,413,000 of the Title I, Part A recovery funds which must be set aside for school improvement as well as \$43,568,000 in additional school improvement funds.

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

General Fund -- State Appropriation (FY 2011)	\$104,101,000
General Fund -- Federal Appropriation	\$200,295,000
TOTAL APPROPRIATION	\$304,396,000

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 \$99.32 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.

NEW SECTION. Sec. 517 K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR

ADJUSTMENTS. State general fund and state student achievement fund appropriations provided to the superintendent of public instruction for state entitlement programs in the public schools in this part V of this act may be expended as needed by the superintendent for adjustments to apportionment for prior fiscal periods. Recoveries of state general fund moneys from school districts and educational service districts for a prior fiscal period shall be made as reductions in apportionment payments for the current fiscal period and shall be shown as prior year adjustments on apportionment reports for the current period. Such recoveries shall not be treated as revenues to the state, but as a reduction in the amount expended against the appropriation for the current fiscal period.

NEW SECTION. Sec. 518 FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION.

Appropriations made in this act to the office of 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) The legislature, the office of financial management, and other state agencies need consistent and accurate personnel data from institutions of higher education for policy planning purposes. Institutions of higher education shall report personnel data to the department of personnel for inclusion in the department's data warehouse. Uniform reporting procedures shall be established by the department of personnel for use by the reporting institutions, including provisions for common job classifications and common definitions of full-time equivalent staff. Annual contract amounts, number of contract months, and funding sources shall be consistently reported for employees under contract.

(3) 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.

(4) The colleges of education for institutions with appropriations in sections 606 through 611 shall develop a plan, by October 30, 2009, to increase the number of math and science teacher endorsements and certificates granted by the institution. The plan shall address the college's math and science teacher endorsement and certification completion goal for each of the next six years, beginning with the 2010-2011 academic year, and shall be reported to the governor, the relevant policy committees of the legislature, the higher education coordinating board (HECB) and the professional educator standards board (PESB). Plan components may address: Student advising practices, increased outreach and recruitment efforts to under-represented populations, linkages with university mathematics and science departments, and implementation of redesigned, innovative endorsement and certification programs. To accomplish this work, enrollments may need to be shifted from low-need endorsement and certificate areas to math and science. A report shall be made each October 30th to the HECB and PESB regarding the degree to which plan goals have been met and activities undertaken to support those outcomes.

(5) In accordance with RCW 28B.10.920 through 28B.10.922, the state performance agreement committee and each public four-year institution of higher education shall develop performance agreements for the period September 1, 2009, through June 30, 2015. The agreements shall reflect the level of state, tuition, and other resources appropriated or authorized for each institution in this act and in the omnibus 2009-11 omnibus capital budget act, as well as reasonably anticipated changes in such resources for the two subsequent biennia as required to accomplish the higher education master plan as adopted by the legislature. The agreements shall build upon each institution's actual performance relative to the 2011 targets previously negotiated between the institution, the higher education coordinating board, and the office of financial management, and shall include measurable performance targets, benchmarks, and goals in areas including but not limited to:

- (a) Student enrollment levels, by campus;
- (b) Baccalaureate and advanced degree production;
- (c) Baccalaureate and advanced degree production in high employer-demand fields;
- (d) Undergraduate retention and graduation rates;
- (e) Time-to-degree for students entering as freshmen, and as upper-division transfers;
- (f) Efficiency to degree; and

(g) Capital investment as required to (i) maintain existing capacity, and (ii) meet enrollment targets in accordance with the master plan as adopted by the legislature.

Each institution shall report progress toward its performance targets during the preceding academic year to the state performance agreement committee prior to November 1, 2010. The higher education coordinating board shall consolidate and summarize the institutional reports, and provide them to the relevant policy and fiscal committees of the legislature by December 1, 2010.

(6) To facilitate transparency and compliance with the American recovery and reinvestment act, 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.

(7) 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.

(8)(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 Engrossed Substitute Senate Bill No. 5460, and House Bill No. 2328.

(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 Engrossed Substitute Senate Bill No. 5460 and House Bill No. 2328; 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 Engrossed Substitute Senate Bill No. 5460 and House Bill No. 2328. Any salary increase granted under the authority of this subsection (8)(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 (8)(c)(ii).

NEW SECTION. Sec. 602 (1) Within the funds appropriated in this act, each institution of higher education is expected to enroll and educate at least the following numbers of full-time equivalent state-supported students per academic year:

	2009-10 Annual Average	2010-11 Annual Average
University of Washington	36,546	37,162
Washington State University	22,250	22,250
Central Washington University	8,477	8,734
Eastern Washington University	8,469	8,808
The Evergreen State College	4,213	4,213
Western Washington University	11,373	11,762
State Board for Community & Technical Colleges		
Adult Students	139,237	139,237
Running Start Students	11,558	11,558

(2) 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.

(3) By September 1, 2009, each institution shall report to the higher education committees and the relevant fiscal committees of the legislature on its plans for achieving the objectives in this section.

(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. 603 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 2009-10 and 2010-11 academic years as provided in this section:

(1) Each governing board may increase the tuition fees, as defined in RCW 28B.15.020, charged to resident undergraduate students by no more than fourteen percent over the amounts charged to resident undergraduate students for the prior academic year.

(2) 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.

(3) 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.

(4) 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.

(5) 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.

(6) Each governing board is authorized to adopt or increase technology fees as provided in RCW 28B.15.069.

(7) 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.

(8) 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.

(9) In addition to the 3.5 percent of tuition and services and activities fees used for institutional financial aid as required by RCW 28B.15.820, each governing board shall assure that at least one-seventh of the additional tuition revenue that would otherwise be collected as a result of resident undergraduate tuition increases in excess of seven percent per year is used to provide additional financial aid to resident undergraduate students. Each institution shall report to the relevant policy and fiscal committees of the legislature by December 1, 2009, and again by December 1, 2010, demonstrating how it has modified financial aid policies and practices during the current academic year to accomplish this purpose.

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 2009-10 and 2010-11 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 seven 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 seven 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 fourteen 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 the 2009-10 academic year, the trustees of the technical colleges are authorized to increase building fees by four cents per clock hour and by sixty-two cents per credit hour. For the

2010-11 academic year, the trustees are authorized to increase building fees by four cents per clock hour and by sixty-nine cents per credit hour. The purpose of these increases is 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 2010)	\$620,071,000
General Fund -- State Appropriation (FY 2011)	\$642,509,000
General Fund--Federal Appropriation	\$17,171,000
Education Legacy Trust Account -- State Appropriation	\$95,125,000
TOTAL APPROPRIATION	\$1,374,876,000

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 and \$28,761,000 of the general fund--state appropriation for fiscal year 2011 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 6,200 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.

NEW SECTION. Sec. 606 FOR THE UNIVERSITY OF WASHINGTON

General Fund -- State Appropriation (FY 2010)	\$269,552,000
General Fund -- State Appropriation (FY 2011)	\$297,130,000
General Fund--Federal Appropriation	\$24,730,000
Education Legacy Trust Account -- State Appropriation	\$54,408,000
Accident Account -- State Appropriation	\$6,712,000
Medical Aid Account -- State Appropriation	\$6,524,000
Biotoxin Account--State Appropriation	\$450,000
TOTAL APPROPRIATION	\$659,506,000

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.

NEW SECTION. Sec. 607 FOR WASHINGTON STATE UNIVERSITY

General Fund -- State Appropriation (FY 2010)	\$178,578,000
General Fund -- State Appropriation (FY 2011)	\$196,163,000
General Fund--Federal Appropriation	\$15,772,000
Education Legacy Trust Account -- State Appropriation	\$34,696,000

TOTAL APPROPRIATION \$425,209,000

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) 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.

NEW SECTION. Sec. 608 FOR EASTERN WASHINGTON UNIVERSITY

General Fund -- State Appropriation (FY 2010) \$34,685,000

General Fund -- State Appropriation (FY 2011) \$40,796,000

General Fund--Federal Appropriation \$5,522,000

Education Legacy Trust Account -- State Appropriation \$16,087,000

TOTAL APPROPRIATION \$97,090,000

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.

NEW SECTION. Sec. 609 FOR CENTRAL WASHINGTON UNIVERSITY

General Fund -- State Appropriation (FY 2010)	\$30,284,000
General Fund -- State Appropriation (FY 2011)	\$37,580,000
General Fund--Federal Appropriation	\$6,975,000
Education Legacy Trust Account -- State Appropriation	\$19,076,000
TOTAL APPROPRIATION	\$93,915,000

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.

NEW SECTION. Sec. 610 FOR THE EVERGREEN STATE COLLEGE

General Fund -- State Appropriation (FY 2010)	\$20,512,000
General Fund -- State Appropriation (FY 2011)	\$22,865,000
General Fund--Federal Appropriation	\$2,366,000
Education Legacy Trust Account -- State Appropriation	\$5,450,000
TOTAL APPROPRIATION	\$51,193,000

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) At least \$100,000 of the general fund--state appropriation for fiscal year 2010 and at least \$100,000 of the general fund--state appropriation for fiscal year 2011 shall be expended on the labor education and research center.

(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.

NEW SECTION. Sec. 611 FOR WESTERN WASHINGTON UNIVERSITY

General Fund -- State Appropriation (FY 2010)	\$43,141,000
General Fund -- State Appropriation (FY 2011)	\$52,752,000
General Fund--Federal Appropriation	\$8,885,000
Education Legacy Trust Account -- State Appropriation	\$13,036,000
TOTAL APPROPRIATION	\$117,814,000

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.

NEW SECTION. Sec. 612 FOR THE HIGHER EDUCATION COORDINATING BOARD -- POLICY COORDINATION AND ADMINISTRATION

General Fund -- State Appropriation (FY 2010)	\$6,611,000
General Fund -- State Appropriation (FY 2011)	\$6,203,000
General Fund -- Federal Appropriation	\$4,352,000
TOTAL APPROPRIATION	\$17,166,000

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) \$227,000 of the general fund--state appropriation for fiscal year 2010 and \$11,000 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) \$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 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.

NEW SECTION. Sec. 613 FOR THE HIGHER EDUCATION COORDINATING BOARD -- FINANCIAL AID AND GRANT PROGRAMS

General Fund -- State Appropriation (FY 2010)	\$204,332,000
General Fund -- State Appropriation (FY 2011)	\$229,711,000
General Fund -- Federal Appropriation	\$13,124,000
Education Legacy Trust Account -- State Appropriation	\$88,062,000
TOTAL APPROPRIATION	\$535,229,000

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

(1) \$191,704,000 of the general fund--state appropriation for fiscal year 2010, \$232,929,000 of the general fund--state appropriation for fiscal year 2011, \$80,190,000 of the education legacy trust account appropriation, and \$2,446,000 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, Washington award for vocational excellence, and state work study awards shall be adjusted to offset the cost of the resident undergraduate 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) \$1,000,000 of the education legacy trust account--state appropriation is provided solely to encourage more students to teach secondary mathematics and science. \$500,000 of this amount is for the future teacher scholarship and conditional loan program. \$500,000 of this amount is provided to support state work study positions for students to intern in secondary schools and classrooms.

(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 and \$1,250,000 of the general fund--state appropriation for fiscal year 2011 are 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) \$3,000,000 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 and \$75,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for higher education student child care matching grants under chapter 28B.135 RCW.

***NEW SECTION. Sec. 614 FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD**

General Fund -- State Appropriation (FY 2010)	\$1,587,000
General Fund -- State Appropriation (FY 2011)	\$1,556,000
General Fund -- Federal Appropriation	\$54,262,000
TOTAL APPROPRIATION	\$57,405,000

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

(1) \$142,000 of the general fund--federal appropriation for fiscal year 2010 and \$88,000 of the general fund--federal appropriation for fiscal year 2011 are provided solely for implementation of Second Substitute House Bill No. 1355 (opportunity internships). Of these amounts, \$82,000 for fiscal year 2010 and \$28,000 for fiscal year 2011 are to be contracted to the higher education coordinating board for administration of state need grant program coordination and for enhancement of existing administration and tracking tools to accommodate opportunity internship students eligible for state need grants. It is expected that the federal funds appropriated in this subsection shall be from among the workforce investment act statewide discretionary funds available for projects in support of disadvantaged youth. If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(2) \$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.

**Sec. 614 was partially vetoed. See message at end of chapter.*

NEW SECTION. Sec. 615 FOR THE SPOKANE INTERCOLLEGIATE RESEARCH AND TECHNOLOGY INSTITUTE

General Fund -- State Appropriation (FY 2010)	\$1,598,000
General Fund -- State Appropriation (FY 2011)	\$1,611,000
TOTAL APPROPRIATION	\$3,209,000

***NEW SECTION. Sec. 616 FOR THE DEPARTMENT OF EARLY LEARNING**

General Fund -- State Appropriation (FY 2010)	\$60,478,000
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General Fund -- State Appropriation (FY 2011)	\$61,045,000
General Fund -- Federal Appropriation	\$244,859,000
TOTAL APPROPRIATION	\$366,382,000

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

(1) \$55,696,000 of the general fund--state appropriation for fiscal year 2010 and \$55,696,000 of the general fund--state appropriation for fiscal year 2011 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, \$425,000 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, \$750,000 of the general fund--state appropriation for fiscal year 2011, 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) \$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 implementation of Substitute House Bill No. 1329 (child care center collective bargaining). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(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.

**Sec. 616 was partially vetoed. See message at end of chapter.*

NEW SECTION. Sec. 617 FOR THE STATE SCHOOL FOR THE BLIND

General Fund -- State Appropriation (FY 2010)	\$5,902,000
General Fund -- State Appropriation (FY 2011)	\$5,908,000
General Fund -- Private/Local Appropriation	\$1,928,000
TOTAL APPROPRIATION	\$13,738,000

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 STATE SCHOOL FOR THE DEAF

General Fund -- State Appropriation (FY 2010)	\$8,592,000
General Fund -- State Appropriation (FY 2011)	\$8,656,000
General Fund -- Private/Local Appropriation	\$526,000
TOTAL APPROPRIATION	\$17,774,000

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.

NEW SECTION. Sec. 619 FOR THE WASHINGTON STATE ARTS COMMISSION

General Fund -- State Appropriation (FY 2010)	\$1,876,000
General Fund -- State Appropriation (FY 2011)	\$1,883,000
General Fund -- Federal Appropriation	\$1,923,000
General Fund -- Private/Local Appropriation	\$1,054,000
TOTAL APPROPRIATION	\$6,736,000

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.

NEW SECTION. Sec. 620 FOR THE WASHINGTON STATE HISTORICAL SOCIETY

General Fund -- State Appropriation (FY 2010)	\$2,592,000
General Fund -- State Appropriation (FY 2011)	\$2,636,000
TOTAL APPROPRIATION	\$5,228,000

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.

NEW SECTION. Sec. 621 FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY

General Fund -- State Appropriation (FY 2010)	\$1,612,000
General Fund -- State Appropriation (FY 2011)	\$1,655,000
TOTAL APPROPRIATION	\$3,267,000

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 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 2010)	\$854,991,000
General Fund -- State Appropriation (FY 2011)	\$901,265,000
State Building Construction Account -- State Appropriation	\$11,707,000
Columbia River Basin Water Supply Development Account -- State Appropriation	\$92,000
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	\$2,619,000
TOTAL APPROPRIATION	\$1,772,081,000

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.

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

State Convention and Trade Center Account -- State Appropriation	\$14,543,000
Accident Account -- State Appropriation	\$5,171,000
Medical Aid Account -- State Appropriation	\$5,171,000
TOTAL APPROPRIATION	\$24,885,000

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 2010)	\$26,463,000
General Fund -- State Appropriation (FY 2011)	\$27,811,000
School Construction and Skill Centers Building	
Account -- State Appropriation	\$477,000
Nondebt-Limit Reimbursable Bond Retirement Account --	
State Appropriation	\$141,507,000
TOTAL APPROPRIATION	\$196,258,000

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.

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 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	\$6,000
Hood Canal Aquatic Rehabilitation Bond Account --	
State Appropriation	\$1,000
State Taxable Building Construction Account -- State	
Appropriation	\$72,000
Gardner-Evans Higher Education Construction	
Account -- State Appropriation	\$18,000
School Construction and Skill Centers Building	
Account -- State Appropriation	\$30,000
TOTAL APPROPRIATION	\$4,114,000

NEW SECTION. Sec. 705 FOR THE OFFICE OF FINANCIAL MANAGEMENT -- FIRE CONTINGENCY

General Fund -- State Appropriation (FY 2010)	\$4,000,000
General Fund -- State Appropriation (FY 2011)	\$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.

NEW SECTION. Sec. 706 FOR THE OFFICE OF FINANCIAL MANAGEMENT-- DISASTER RESPONSE ACCOUNT

General Fund -- State Appropriation (FY 2010)	\$14,558,000
General Fund -- State Appropriation (FY 2011)	\$15,087,000

TOTAL APPROPRIATION \$29,645,000

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 2010) \$850,000
 General Fund -- State Appropriation (FY 2011) \$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 DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT -- COUNTY PUBLIC HEALTH ASSISTANCE

General Fund -- State Appropriation (FY 2010) \$24,000,000
 General Fund -- State Appropriation (FY 2011) \$24,000,000
 TOTAL APPROPRIATION \$48,000,000

The appropriations in this section are subject to the following conditions and limitations: The director of the department of community, trade, and economic development shall distribute the appropriations to the following counties and health districts in the amounts designated to support public health services, including public health nursing:

Health District	FY 2010	FY 2011	FY 2010-11 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
Southwest Washington Health District	\$1,084,473	\$1,084,473	\$2,168,946
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. 709 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. 710 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, 2009, 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 2010)	\$51,500,000
General Fund -- State Appropriation (FY 2011)	\$54,300,000
TOTAL APPROPRIATION	\$105,800,000

(2) There is appropriated for contributions to the judicial retirement system:
 General Fund -- State Appropriation (FY 2010) \$11,570,000
 General Fund -- State Appropriation (FY 2011) \$12,860,000
 TOTAL APPROPRIATION \$24,430,000

NEW SECTION. Sec. 711 FOR THE OFFICE OF FINANCIAL MANAGEMENT -- EDUCATION TECHNOLOGY REVOLVING ACCOUNT

General Fund--State Appropriation (FY 2010) \$8,000,000
 General Fund--State Appropriation (FY 2011) \$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. 712 FOR THE OFFICE OF FINANCIAL MANAGEMENT -- WATER POLLUTION CONTROL REVOLVING ACCOUNT

General Fund--State Appropriation (FY 2010) \$4,600,000
 General Fund--State Appropriation (FY 2011) \$4,600,000
 TOTAL APPROPRIATION \$9,200,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the water pollution control revolving account.

NEW SECTION. Sec. 713 INCENTIVE SAVINGS -- FY 2010. The sum of one hundred twenty-five million dollars or so much thereof as may be available on June 30, 2010, from the total amount of unspent fiscal year 2010 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. 714 INCENTIVE SAVINGS -- FY 2011. The sum of one hundred twenty-five million dollars or so much thereof as may be available on June 30, 2011, from the total amount of unspent fiscal year 2011 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. 715 FOR THE OFFICE OF FINANCIAL MANAGEMENT -- COUNTY SUBSTANCE ABUSE PROGRAMS

General Fund--State Appropriation (FY 2010) \$1,300,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for allocation to counties that are eligible for funding for chemical dependency or substance abuse treatment programs pursuant to RCW 70.96A.325.

NEW SECTION. Sec. 716 FOR THE OFFICE OF FINANCIAL MANAGEMENT-- SMALL AGENCY TECHNOLOGY POOL

General Fund--State Appropriation (FY 2010) \$250,000
General Fund--State Appropriation (FY 2011) \$250,000
TOTAL APPROPRIATION \$500,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the data processing revolving account for the small agency technology pool.

NEW SECTION. Sec. 717 FOR THE OFFICE OF FINANCIAL MANAGEMENT-- CAPITOL BUILDING CONSTRUCTION ACCOUNT

General Fund--State Appropriation (FY 2010) \$2,312,000
General Fund--State Appropriation (FY 2011) \$3,615,000
TOTAL APPROPRIATION \$5,927,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the capitol building construction account.

NEW SECTION. Sec. 718 FOR THE OFFICE OF FINANCIAL MANAGEMENT-- TRANSITIONAL HOUSING OPERATING AND RENT ACCOUNT

Home Security Fund--State Appropriation \$7,000,000
Washington Housing Trust Account--State Appropriation \$1,500,000
TOTAL APPROPRIATION \$8,500,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the transitional housing operating and rent account.

NEW SECTION. Sec. 719 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
TOTAL APPROPRIATION \$2,870,000

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. 720 FOR THE OFFICE OF FINANCIAL MANAGEMENT--
CONTRIBUTIONS TO RETIREMENT SYSTEMS**

General Fund--State Appropriation (FY 2010) \$400,000
General Fund--State Appropriation (FY 2011) \$400,000
Special Account Retirement System Contribution
Increase Revolving Account Appropriation \$1,000,000
TOTAL APPROPRIATION \$1,800,000

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

(1) The appropriations in this section are provided solely to increase agency and institution appropriations and public school funding allocations to reflect increased employer contribution rates in the public employees' retirement system and the school employees' retirement system as a result of the provisions of Substitute Senate Bill No. 6157 (calculating compensation for public retirement purposes). If the bill is not enacted by June 30, 2009, 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. 721 FOR THE OFFICE OF FINANCIAL MANAGEMENT--
COMMUNITY PRESERVATION AND DEVELOPMENT AUTHORITY ACCOUNT**

General Fund--State Appropriation (FY 2010) \$350,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for expenditure into the community preservation and development authority account.

**NEW SECTION. Sec. 722 FOR THE OFFICE OF FINANCIAL MANAGEMENT--
VETERANS INNOVATIONS PROGRAM ACCOUNT**

General Fund--State Appropriation (FY 2010) \$500,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for deposit into the veterans innovations program 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	\$8,268,000
General Fund Appropriation for public utility district excise tax distributions	\$48,771,000
General Fund Appropriation for prosecuting attorney distributions	\$6,281,000
General Fund Appropriation for boating safety and education distributions	\$4,854,000
General Fund Appropriation for other tax distributions	\$50,000
General Fund Appropriation for habitat conservation program distributions	\$3,000,000
Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies	\$2,544,000
Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution	\$170,000
Timber Tax Distribution Account Appropriation for distribution to "timber" counties	\$69,288,000
County Criminal Justice Assistance Appropriation	\$66,374,000
Municipal Criminal Justice Assistance Appropriation	\$25,622,000
City-County Assistance Account Appropriation for local government financial assistance distribution	\$28,564,000
Liquor Excise Tax Account Appropriation for liquor excise tax distribution	\$50,950,000
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	\$65,038,000
Columbia River Water Delivery Account Appropriation for the Confederated Tribes of the Colville Reservation	\$7,308,000
Columbia River Water Delivery Account Appropriation for the Spokane Tribe of Indians	\$4,676,000
Liquor Revolving Account Appropriation for liquor profits distribution	\$80,435,000
Liquor Revolving Account Appropriation for additional liquor profits distribution to local governments	\$18,677,000
TOTAL APPROPRIATION	\$490,870,000

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 ASSISTANCE ACCOUNT**

Impaired Driver Safety Account Appropriation \$2,351,000

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).

**NEW SECTION. Sec. 803 FOR THE STATE TREASURER -- FOR THE MUNICIPAL
CRIMINAL JUSTICE ASSISTANCE ACCOUNT**

Impaired Driver Safety Account Appropriation \$1,543,000

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. 804 FOR THE STATE TREASURER -- FEDERAL REVENUES
FOR DISTRIBUTION**

General Fund Appropriation for federal flood control funds
distribution \$70,000
General Fund Appropriation for federal grazing fees
distribution \$2,296,000
Forest Reserve Fund Appropriation for federal forest
reserve fund distribution \$85,200,000
TOTAL APPROPRIATION \$87,566,000

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, \$10,400,000 for fiscal year 2010 and \$10,400,000 for fiscal year 2011 \$20,800,000

Waste Reduction, Recycling and Litter Control 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

State Toxics Control Account: For transfer to the state general fund, \$15,340,000 for fiscal year 2010 and \$14,400,000 for fiscal year 2011 \$29,740,000

Local Toxics Control Account: For transfer to the state general fund, \$37,060,000 for fiscal year 2010 and \$36,000,000 for fiscal year 2011 \$73,060,000

Education Construction Account: For transfer to the state general fund, \$93,362,000 for fiscal year 2010 and \$100,401,000 for fiscal year 2011 \$193,763,000

Aquatics Lands Enhancement Account: For transfer to the state general fund, \$5,050,000 for fiscal year 2010 and \$5,050,000 for fiscal year 2011 \$10,100,000

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 \$2,500,000 for fiscal year 2011 \$5,000,000

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, \$31,447,000 for fiscal year 2010 and \$33,591,000 for fiscal year 2011 \$65,038,000

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

State Convention and Trade Center Account: For transfer to the state general fund, \$11,000,000 in fiscal year 2010 and \$11,000,000 in fiscal year 2011 \$22,000,000

Tobacco Prevention and Control Account: For transfer to the state general fund for fiscal year 2010 \$1,961,000

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, \$2,500,000 for fiscal year 2010 and \$2,500,000 for fiscal year 2011 \$5,000,000

Department of Retirement Systems Expense Account: For transfer to the state general fund for fiscal year 2011 \$1,500,000

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 \$5,550,000 for fiscal year 2011 \$11,100,000

Energy Freedom Account: For transfer to the state general fund, \$2,978,000 for fiscal year 2010 and \$2,978,000 for fiscal year 2011 \$5,956,000

Thurston County Capital Facilities Account: For transfer to the state general fund, \$4,194,000 for fiscal year 2010 and \$4,194,000 for fiscal year 2011 \$8,388,000

Public Works Assistance Account: For transfer to the state general fund, \$184,000,000 for fiscal year 2010 and \$184,000,000 for fiscal year 2011 \$368,000,000

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, \$4,000,000 for fiscal year 2010 and \$4,000,000 for fiscal year 2011 \$8,000,000

Performance Audits of Government Account: For transfer to the state general fund, \$22,120,000 in fiscal year 2010 and \$7,120,000 in fiscal year 2011 \$29,240,000

**Sec. 805 was partially vetoed. See message at end of chapter.*

(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 2007-2009 biennium.

NEW SECTION. Sec. 902 INFORMATION SYSTEMS PROJECTS. Agencies shall comply with the following requirements regarding information systems projects when specifically directed to do so by this act.

(1) Agency planning and decisions concerning information technology shall be made in the context of its information technology portfolio. "Information technology portfolio" means a strategic management approach in which the relationships between agency missions and information technology investments can be seen and understood, such that: Technology efforts are linked to agency objectives and business plans; the impact of new investments on existing infrastructure and business functions are assessed and understood before implementation; and agency activities are consistent with the development of an integrated, nonduplicative statewide infrastructure.

(2) Agencies shall use their information technology portfolios in making decisions on matters related to the following:

- (a) System refurbishment, acquisitions, and development efforts;
- (b) Setting goals and objectives for using information technology in meeting legislatively-mandated missions and business needs;
- (c) Assessment of overall information processing performance, resources, and capabilities;
- (d) Ensuring appropriate transfer of technological expertise for the operation of any new systems developed using external resources; and
- (e) Progress toward enabling electronic access to public information.

(3) Each project will be planned and designed to take optimal advantage of Internet technologies and protocols. Agencies shall ensure that the project is in compliance with the architecture, infrastructure, principles, policies, and standards of digital government as maintained by the information services board.

(4) The agency shall produce a feasibility study for information technology projects at the direction of the information services board and in accordance with published department of information services policies and guidelines. At a minimum, such studies shall include a statement of: (a) The purpose or impetus for change; (b) the business value to the agency, including an examination and evaluation of benefits, advantages, and cost; (c) a comprehensive risk assessment based on the proposed project's impact on both citizens and state operations, its visibility, and the consequences of doing nothing; (d) the impact on agency and statewide information infrastructure; and (e) the impact of the proposed enhancements to an agency's information technology capabilities on meeting service delivery demands.

(5) The agency shall produce a comprehensive management plan for each project. The plan or plans shall address all factors critical to successful completion of each project. The plan(s) shall include, but is not limited to, the following elements: A description of the problem or opportunity that the information technology project is intended to address; a statement of project objectives and assumptions; a definition and schedule of phases, tasks, and activities to be accomplished; and the estimated cost of each phase. The planning for the phased approach shall

be such that the business case justification for a project needs to demonstrate how the project recovers cost or adds measurable value or positive cost benefit to the agency's business functions within each development cycle.

(6) The agency shall produce quality assurance plans for information technology projects. Consistent with the direction of the information services board and the published policies and guidelines of the department of information services, the quality assurance plan shall address all factors critical to successful completion of the project and successful integration with the agency and state information technology infrastructure. At a minimum, quality assurance plans shall provide time and budget benchmarks against which project progress can be measured, a specification of quality assurance responsibilities, and a statement of reporting requirements. The quality assurance plans shall set out the functionality requirements for each phase of a project.

(7) A copy of each feasibility study, project management plan, and quality assurance plan shall be provided to the department of information services, the office of financial management, and legislative fiscal committees. The plans and studies shall demonstrate a sound business case that justifies the investment of taxpayer funds on any new project, an assessment of the impact of the proposed system on the existing information technology infrastructure, the disciplined use of preventative measures to mitigate risk, and the leveraging of private-sector expertise as needed. Authority to expend any funds for individual information systems projects is conditioned on the approval of the relevant feasibility study, project management plan, and quality assurance plan by the department of information services and the office of financial management.

(8) Quality assurance status reports shall be submitted to the department of information services, the office of financial management, and legislative fiscal committees at intervals specified in the project's quality assurance plan.

NEW SECTION. Sec. 903 (1) The legislature intends to continue the work that began in 2007 with the creation of the information technology work group.

(2) The vice-chair of the house ways and means committee, the chair of the general government appropriations committee, and the respective ranking minority members of these two committees shall convene a work group with representation that includes other interested legislators from the house of representatives and the senate, and representatives of the office of the governor, the office of financial management, the department of information services, state agency chief information officers, and the technology sector.

(3) The work group will:

(a) Review the findings and recommendations of the 2008-2009 state information technology study;

(b) Consider how to implement some or all of the study's recommendations; and

(c) Consider ways the state may improve the administration and coordination of state information technology and achieve budgetary efficiencies.

(4) Staff support for the work group shall be provided by the house of representatives office of program research and the senate committee services to the extent senators participate in the work group.

(5) Legislative members of the work group shall be reimbursed for travel expenses in accordance with RCW 44.04.120.

(6) The expenses of the work group shall be paid jointly by the senate and the house of representatives. Work group expenditures are subject to approval by the senate facilities and operations committee and the house executive rules committee, or their successor committees.

(7) The work group may report its findings and recommendations, if any, in the form of draft legislation.

NEW SECTION. Sec. 904 INFORMATION TECHNOLOGY ENTERPRISE SERVICES.

Agencies may make use of the department of information services 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 department of information services.

If an information technology enterprise service is provided by the department, or an agency has a specific requirement to acquire hardware, software, or purchased or personal services directly, the agency shall consult with the department of information services.

NEW SECTION. Sec. 905 VIDEO TELECOMMUNICATIONS. The department of information services shall act as lead agency in coordinating video telecommunications services for state agencies. As lead agency, the department shall develop standards and common specifications for leased and purchased telecommunications equipment and assist state agencies in developing a video telecommunications expenditure plan. No agency may spend any portion of any appropriation in this act for new video telecommunication equipment, new video telecommunication transmission, or new video telecommunication programming, or for expanding current video telecommunication systems without first complying with chapter 43.105 RCW, including but not limited to, RCW 43.105.041(2), and without first submitting a video telecommunications expenditure plan, in accordance with the policies of the department of information services, for review and assessment by the department of information services under RCW 43.105.052. Prior to any such expenditure by a public school, a video telecommunications expenditure plan shall be approved by the superintendent of public instruction. The office of the superintendent of public instruction shall submit the plans to the department of information services in a form prescribed by the department. The office of the superintendent of public instruction shall coordinate the use of video telecommunications in public schools by providing educational information to local school districts and shall assist local school districts and educational service districts in telecommunications planning and curriculum development. Prior to any such expenditure by a public institution of postsecondary education, a telecommunications expenditure plan shall be approved by the higher education coordinating board. The higher education coordinating board shall coordinate the use of video telecommunications for instruction and instructional support in postsecondary education, including the review and approval of instructional telecommunications course offerings.

NEW SECTION. Sec. 906 CENTRAL SERVICES. The governor shall convene a work group consisting of representatives from the central service agencies and their clients to collaborate on methods for providing commonly needed services to state agencies, including, but not limited to: Human resource management, employee benefits, payroll, accounting, purchasing, information technology, real estate services, facility management, building and grounds maintenance, fleet management, printing services, and office mail distribution. The work group should consider the experience of other states and large organizations and should identify opportunities to improve service delivery and reduce costs, including, but not limited to:

- (1) Simplifying processes and gaining efficiencies;

- (2) Using a shared, common service model;
- (3) Centralizing services or activities which may lead to consolidating or eliminating existing programs or state agencies; and
- (4) Revising agencies' authority or governance structures.

The work group shall submit a proposal that improves the delivery of central services to state agencies, including changes to the current governance structure, organizational changes that improves and simplifies service delivery, and any statutory changes that may be necessary to the governor by October 1, 2009.

NEW SECTION. Sec. 907 NATURAL RESOURCES ORGANIZATIONS. The governor shall convene a work group consisting of representatives from the natural resource agencies. The work group shall consider the experience of other states and their organizational structures to identify consolidation opportunities to improve service delivery and reduce costs. The work group shall submit a comprehensive written recommendation to the governor and the office of financial management by September 1, 2009.

NEW SECTION. Sec. 908 PUGET SOUND PROTECTION AND RESTORATION. Consistent with RCW 90.71.340, when expending appropriations under this act that contribute to Puget Sound protection and recovery, agencies shall consult with the Puget Sound partnership to ensure that expenditures are either in, or consistent with, the 2020 action agenda.

NEW SECTION. Sec. 909 EMERGENCY FUND ALLOCATIONS. Whenever allocations are made from the governor's emergency fund appropriation to an agency that is financed in whole or in part by other than general fund moneys, the director of financial management may direct the repayment of such allocated amount to the general fund from any balance in the fund or funds which finance the agency. No appropriation shall be necessary to effect such repayment.

NEW SECTION. Sec. 910 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. 911 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. 912 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 workweek 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, 2011, 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 resulting service delivery changes, agency efficiencies, the cost of the incentive per participant, the total cost to the state, and the projected or actual net dollar savings over the 2009-11 biennium.

NEW SECTION. Sec. 913 ADMINISTRATIVE REDUCTIONS. (1) The appropriations in this act reflect significant reductions in the appropriations for the administrative expenses of state government. 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. Agencies shall review their management costs and reduce expenditures on salaries and benefits for management positions as part of these administrative reductions.

(2) To the extent permitted by the applicable personnel system rules, and to the extent collectively bargained with represented employees where applicable, the agencies and institutions of state government are encouraged to achieve the reductions in full-time-equivalent employment and payroll levels necessary to operate within these appropriations through strategies that will minimize impacts on employees, their families, their communities, and short- and long-term accomplishment of the agency's mission. Agencies are encouraged to use 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. Agencies are further encouraged to implement such strategies in ways that will enable employees to maintain full insurance benefits, full accrual of retirement service credit, and a living wage.

NEW SECTION. Sec. 914 COMPENSATION--INSURANCE BENEFITS. Appropriations for state agencies in this act are sufficient for nonrepresented and represented 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 \$745 per eligible employee for fiscal year 2010. For fiscal year 2011 the monthly employer funding rate shall not exceed \$768 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. During the 2009-11 fiscal biennium, the board may only authorize benefit plans and premium contributions for an employee and the employee's dependents that are the same, regardless of an employee's status as represented or nonrepresented under the personnel system reform act of 2002.

(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.

(d) The conditions in this section apply to benefits for nonrepresented employees, employees represented by the super coalition, and represented employees outside of the super coalition, including employees represented under chapter 47.64 RCW.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. From January 1, 2010, through the remainder of the 2009-11 fiscal biennium, the subsidy shall be \$182.89.

(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, \$59.59 per month beginning September 1, 2009, and \$64.90 beginning September 1, 2010;

(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, \$59.59 each month beginning September 1, 2009, and \$64.90 beginning September 1, 2010, 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. 915 COMPENSATION--REVISE PENSION CONTRIBUTION RATES. The appropriations for school districts and state agencies, including institutions of higher education are subject to the following conditions and limitations: Appropriations are adjusted to reflect changes to agency appropriations to reflect savings resulting from changes to pension funding as provided in Engrossed Substitute Senate Bill No. 6161 (actuarial funding of pension systems). If the bill is not enacted by June 30, 2009, this section shall lapse.

NEW SECTION. Sec. 916 COLLECTIVE BARGAINING AGREEMENTS NOT IMPAIRED. Nothing in this act or chapter 5 (ESSB 5460), Laws of 2009 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 chapter 5, Laws of 2009 (February 18, 2009).

NEW SECTION. Sec. 917 FIRST-TIME HOME BUYERS. To accelerate the receipt of federal tax credits for first-time home buyers provided in the 2009 American recovery and relief

act, the state housing finance commission is authorized to obtain services from a qualified public depository. The housing finance commission and the state treasurer are further authorized to enter into an agreement with the selected public depository to receive an off-setting deposit of up to \$25,000,000 in state funds. The off-setting deposit shall be made at market rates. Deposit can only be made from May 1, 2009, until the expiration of the federal tax credit if an established account with a minimum value of \$400,000, at least \$200,000 of which must be cash, exists to finance first losses, and funds are used consistent with federal requirements.

Sec. 918 RCW 2.68.020 and 2005 c 282 s 11 are each amended to read as follows:

There is created an account in the custody of the state treasurer to be known as the judicial information system account. The administrative office of the courts shall maintain and administer the account, in which shall be deposited all moneys received from in-state noncourt users and any out-of-state users of the judicial information system and moneys as specified in RCW 2.68.040 for the purposes of providing judicial information system access to noncourt users and providing an adequate level of automated services to the judiciary. The legislature shall appropriate the funds in the account for the purposes of the judicial information system. The account shall be used for the acquisition of equipment, software, supplies, services, and other costs incidental to the acquisition, development, operation, and administration of information services, telecommunications, systems, software, supplies, and equipment, including the payment of principal and interest on items paid in installments. During the 2009-2011 fiscal biennium, the legislature may transfer from the judicial information system account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 919 RCW 28A.160.130 and 1991 c 114 s 2 are each amended to read as follows:

(1) There is created a fund on deposit with each county treasurer for each school district of the county, which shall be known as the transportation vehicle fund. Money to be deposited into the transportation vehicle fund shall include, but is not limited to, the following:

(a) The balance of accounts held in the general fund of each school district for the purchase of approved transportation equipment and for major transportation equipment repairs under RCW 28A.150.280. The amount transferred shall be the balance of the account as of September 1, 1982;

(b) Reimbursement payments provided for in RCW 28A.160.200 except those provided under RCW 28A.160.200(~~(4)~~) (3) that are necessary for contracted payments to private carriers;

(c) Earnings from transportation vehicle fund investments as authorized in RCW 28A.320.300; and

(d) The district's share of the proceeds from the sale of transportation vehicles, as determined by the superintendent of public instruction.

(2) Funds in the transportation vehicle fund may be used for the following purposes:

(a) Purchase of pupil transportation vehicles pursuant to RCW 28A.160.200 and 28A.150.280;

(b) Payment of conditional sales contracts as authorized in RCW 28A.335.200 or payment of obligations authorized in RCW 28A.530.080, entered into or issued for the purpose of pupil transportation vehicles;

(c) Major repairs to pupil transportation vehicles;

(d) For the 2009-2011 biennium, a school district that is wholly contained on an island and has a student enrollment greater than two hundred fifty students and fewer than five hundred and

fifty students may transfer from the transportation vehicle fund to the school district's general fund such amounts as necessary for instructional costs.

The superintendent of public instruction shall adopt rules which shall establish the standards, conditions, and procedures governing the establishment and use of the transportation vehicle fund. The rules shall not permit the transfer of funds from the transportation vehicle fund to any other fund of the district, except as provided under subsection (2)(d) of this section.

Sec. 920 RCW 28B.105.110 and 2008 c 329 s 908 are each amended to read as follows:

(1) The GET ready for math and science scholarship account is created in the custody of the state treasurer.

(2) The board shall deposit into the account all money received for the GET ready for math and science scholarship program from appropriations and private sources. The account shall be self-sustaining.

(3) Expenditures from the account shall be used for scholarships to eligible students and for purchases of GET units. Purchased GET units shall be owned and held in trust by the board. Expenditures from the account shall be an equal match of state appropriations and private funds raised by the program administrator. During the ~~((2007-09))~~ 2009-2011 fiscal biennium, expenditures from the account not to exceed five percent may be used by the program administrator to carry out the provisions of RCW 28B.105.090.

(4) With the exception of the operating costs associated with the management of the account by the treasurer's office as authorized in chapter 43.79A RCW, the account shall be credited with all investment income earned by the account.

(5) Disbursements from the account are exempt from appropriations and the allotment provisions of chapter 43.88 RCW.

(6) Disbursements from the account shall be made only on the authorization of the board.

Sec. 921 RCW 35.104.060 and 2007 c 251 s 6 are each amended to read as follows:

(1) The authority has all the general powers necessary to carry out its purposes and duties and to exercise its specific powers, including the authority may:

(a) Sue and be sued in its own name;

(b) Make and execute agreements, contracts, and other instruments, with any public or private entity or person, in accordance with this chapter;

(c) Employ, contract with, or engage independent counsel, financial advisors, auditors, other technical or professional assistants, and such other personnel as are necessary or desirable to implement this chapter;

(d) Establish such special funds, and control deposits to and disbursements from them, as it finds convenient for the implementation of this chapter;

(e) Enter into contracts with public and private entities for research to be conducted in this state;

(f) Delegate any of its powers and duties if consistent with the purposes of this chapter;

(g) Exercise any other power reasonably required to implement the purposes of this chapter; and

(h) Hire staff and pay administrative costs; however, such expenses shall be paid from moneys provided by the sponsoring local government and moneys received from gifts, grants, and bequests and the interest earned on the authority's accounts and investments. During the 2009-2011 fiscal biennium, up to ten percent of the amounts received under RCW 82.14.480

may be used by a health services and sciences authority for the purposes of subsections (1)(c) and (h) of this section.

(2) In addition to other powers and duties prescribed in this chapter, the authority is empowered to:

(a) Use the authority's public moneys, leveraging those moneys with amounts received from other public and private sources in accordance with contribution agreements, to promote bioscience-based economic development, and to advance new therapies and procedures to combat disease and promote public health;

(b) Solicit and receive gifts, grants, and bequests, and enter into contribution agreements with private entities and public entities to receive moneys in consideration of the authority's promise to leverage those moneys with the revenue generated by the tax authorized under RCW 82.14.480 and contributions from other public entities and private entities, in order to use those moneys to promote bioscience-based economic development and advance new therapies and procedures to combat disease and promote public health;

(c) Hold funds received by the authority in trust for their use pursuant to this chapter to promote bioscience-based economic development and advance new therapies and procedures to combat disease and promote public health;

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

(e) Make grants to entities pursuant to contract to promote bioscience-based economic development and advance new therapies and procedures to combat disease and promote public health. Grant agreements shall specify the deliverables to be provided by the recipient pursuant to the grant. Grants to private entities may only be provided under a contractual agreement that ensures the state will receive appropriate consideration, such as an assurance of job creation or retention, or the delivery of services that provide for the public health, safety, and welfare. The authority shall solicit requests for funding and evaluate the requests by reference to factors such as: (i) The quality of the proposed research; (ii) its potential to improve health outcomes, with particular attention to the likelihood that it will also lower health care costs, substitute for a more costly diagnostic or treatment modality, or offer a breakthrough treatment for a particular disease or condition; (iii) its potential to leverage additional funding; (iv) its potential to provide health care benefits; (v) its potential to stimulate employment; and (vi) evidence of public and private collaboration;

(f) Create one or more advisory boards composed of scientists, industrialists, and others familiar with health sciences and services; and

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

(3) The records of the authority shall be subject to audit by the office of the state auditor.

Sec. 922 RCW 38.52.106 and 2008 c 329 s 909 are each amended to read as follows:

The Nisqually earthquake account is created in the state treasury. Moneys may be placed in the account from tax revenues, budget transfers or appropriations, federal appropriations, gifts, or any other lawful source. Moneys in the account may be spent only after appropriation. Moneys in the account shall be used only to support state and local government disaster response and recovery efforts associated with the Nisqually earthquake. During the 2003-2005 fiscal biennium, the legislature may transfer moneys from the Nisqually earthquake account to the disaster response account for fire suppression and mobilization costs. During the 2007-2009

fiscal biennium, moneys in the account may also be used to support disaster response and recovery efforts associated with flood and storm damage. During the 2009-2011 fiscal biennium, the legislature may transfer moneys from the Nisqually earthquake account to the disaster response account for disaster response and recovery efforts associated with flood and storm damage.

Sec. 923 RCW 41.48.060 and 1991 sp.s. c 13 s 112 are each amended to read as follows:

(1) There is hereby established a special account in the state treasury to be known as the OASI contribution account. Such account shall consist of and there shall be deposited in such account: (a) All contributions and penalties collected under RCW 41.48.040 and 41.48.050; (b) all moneys appropriated thereto under this chapter; (c) any property or securities belonging to the account; and (d) all sums recovered upon the bond of the custodian or otherwise for losses sustained by the account and all other moneys received for the account from any other source. All moneys in the account shall be mingled and undivided. Subject to the provisions of this chapter, the governor is vested with full power, authority and jurisdiction over the account, including all moneys and property or securities belonging thereto, and may perform any and all acts whether or not specifically designated, which are necessary to the administration thereof and are consistent with the provisions of this chapter. During the 2009-2011 fiscal biennium, moneys in the OASI contribution account may also be transferred into the OASI revolving fund.

(2) The OASI contribution account shall be established and held separate and apart from any other funds of the state and shall be used and administered exclusively for the purpose of this chapter. Withdrawals from such account shall be made for, and solely for (a) payment of amounts required to be paid to the secretary of the treasury pursuant to an agreement entered into under RCW 41.48.030; (b) payment of refunds provided for in RCW 41.48.040(3); and (c) refunds of overpayments, not otherwise adjustable, made by a political subdivision or instrumentality.

(3) From the OASI contribution account the custodian of the fund [account] shall pay to the secretary of the treasury such amounts and at such time or times as may be directed by the governor in accordance with any agreement entered into under RCW 41.48.030 and the social security act.

(4) The treasurer of the state shall be ex officio treasurer and custodian of the OASI contribution account and shall administer such account in accordance with the provisions of this chapter and the directions of the governor and shall pay all warrants drawn upon it in accordance with the provisions of this section and with the regulations as the governor may prescribe pursuant thereto.

Sec. 924 RCW 41.50.110 and 2008 c 329 s 911 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 fiscal (~~biennium~~) 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. 925 RCW 43.03.310 and 1998 c 164 s 1 are each amended to read as follows:

(1) The citizens' commission on salaries for elected officials shall study the relationship of salaries to the duties of members of the legislature, all elected officials of the executive branch of state government, and all judges of the supreme court, court of appeals, superior courts, and district courts, and shall fix the salary for each respective position.

(2) Except as provided otherwise in RCW 43.03.305 and this section, the commission shall be solely responsible for its own organization, operation, and action and shall enjoy the fullest cooperation of all state officials, departments, and agencies.

(3) Members of the commission shall receive no compensation for their services, but shall be eligible to receive a subsistence allowance and travel expenses pursuant to RCW 43.03.050 and 43.03.060.

(4) The members of the commission shall elect a chair from among their number. The commission shall set a schedule of salaries by an affirmative vote of not less than nine members of the commission.

(5) The commission shall file its initial schedule of salaries for the elected officials with the

secretary of state no later than the first Monday in June, 1987, and shall file a schedule biennially thereafter. Each such schedule shall be filed in legislative bill form, shall be assigned a chapter number and published with the session laws of the legislature, and shall be codified by the statute law committee. The signature of the chair of the commission shall be affixed to each schedule submitted to the secretary of state. The chair shall certify that the schedule has been adopted in accordance with the provisions of state law and with the rules, if any, of the commission. Such schedules shall become effective ninety days after the filing thereof, except as provided in Article XXVIII, section 1 of the state Constitution. State laws regarding referendum petitions shall apply to such schedules to the extent consistent with Article XXVIII, section 1 of the state Constitution.

(6) Before the filing of any salary schedule, the commission shall first develop a proposed salary schedule and then hold no fewer than four regular meetings as defined by chapter 42.30 RCW to take public testimony on the proposed schedule within the four months immediately preceding the filing. In the 2009-2011 fiscal biennium, the commission shall hold no more than two regular meetings as defined by chapter 42.30 RCW to take public testimony on the proposed schedule within the four months immediately preceding the filing. At the last public hearing that is held as a regular meeting on the proposed schedule, the commission shall adopt the salary schedule as originally proposed or as amended at that meeting that will be filed with the secretary of state.

(7) All meetings, actions, hearings, and business of the commission shall be subject in full to the open public meetings act, chapter 42.30 RCW.

(8) Salaries of the officials referred to in subsection (1) of this section that are in effect on January 12, 1987, shall continue until modified by the commission under this section.

Sec. 926 RCW 43.08.190 and 2008 c 329 s 912 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 or 43.84.092(4). The allocation shall precede the distribution of the remaining earnings as prescribed under RCW 43.79A.040 and 43.84.092. The state treasurer shall establish a uniform allocation rate based on the appropriations for the treasurer's office.

During the (~~2007-2009~~) 2009-2011 fiscal biennium, the legislature may transfer from the state treasurer's service fund to the state general fund such amounts as reflect the excess fund balance of the fund.

Sec. 927 RCW 43.09.260 and 1995 c 301 s 15 are each amended to read as follows:

(1) The examination of the financial affairs of all local governments shall be made at such reasonable, periodic intervals as the state auditor shall determine. However, an examination of the financial affairs of all local governments shall be made at least once in every three years, and an examination of individual local government health and welfare benefit plans and local government self-insurance programs shall be made at least once every two years.

(2) During the 2009-2011 fiscal biennium, the state auditor shall conduct audits no more often

than once every two years of local governments with annual general fund revenues of ten million dollars or less and no findings of impropriety for the three-year period immediately preceding the audit period. This subsection does not prohibit the state auditor from conducting audits: (a) To address suspected fraud or irregular conduct; (b) at the request of the local government governing body; or (c) as required by federal laws or regulations.

(3) The term local governments for purposes of this chapter includes but is not limited to all counties, cities, and other political subdivisions, municipal corporations, and quasi-municipal corporations, however denominated.

(4) The state auditor shall establish a schedule to govern the auditing of local governments which shall include: A designation of the various classifications of local governments; a designation of the frequency for auditing each type of local government; and a description of events which cause a more frequent audit to be conducted.

(5) On every such examination, inquiry shall be made as to the financial condition and resources of the local government; whether the Constitution and laws of the state, the ordinances and orders of the local government, and the requirements of the state auditor have been properly complied with; and into the methods and accuracy of the accounts and reports.

(6) A report of such examination shall be made and filed in the office of state auditor, and one copy shall be transmitted to the local government. A copy of any report containing findings of noncompliance with state law shall be transmitted to the attorney general. If any such report discloses malfeasance, misfeasance, or nonfeasance in office on the part of any public officer or employee, within thirty days from the receipt of his or her copy of the report, the attorney general shall institute, in the proper county, such legal action as is proper in the premises by civil process and prosecute the same to final determination to carry into effect the findings of the examination.

(7) It shall be unlawful for any local government or the responsible head thereof, to make a settlement or compromise of any claim arising out of such malfeasance, misfeasance, or nonfeasance, or any action commenced therefor, or for any court to enter upon any compromise or settlement of such action, without the written approval and consent of the attorney general and the state auditor.

Sec. 928 RCW 43.09.282 and 2008 c 328 s 6007 are each amended to read as follows:

For the purposes of centralized funding, accounting, and distribution of the costs of the audits performed on local governments by the state auditor, there is hereby created an account entitled the municipal revolving account. The state treasurer shall be custodian of the account. All moneys received by the state auditor or by any officer or employee thereof shall be deposited with the state treasurer and credited to the municipal revolving account. Only the state auditor or the auditor's designee may authorize expenditures from the account. No appropriation is required for expenditures. The state auditor shall keep such records as are necessary to detail the auditing costs attributable to the various types of local governments. ~~((During the 2007-2009 fiscal biennium, the legislature may transfer from the municipal revolving account to the Washington state heritage center account such amounts as reflect excess fund balance in the account.))~~
During the 2009-2011 fiscal biennium, the state auditor shall reduce the municipal revolving account charges for financial audits performed on local governments by five percent.

Sec. 929 RCW 43.09.475 and 2006 c 1 s 5 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.

Sec. 930 RCW 43.10.180 and 2007 c 522 s 951 are each amended to read as follows:

(1) The attorney general shall keep such records as are necessary to facilitate proper allocation of costs to funds and agencies served and the director of financial management shall prescribe appropriate accounting procedures to accurately allocate costs to funds and agencies served. Billings shall be adjusted in line with actual costs incurred at intervals not to exceed six months.

(2) During the ~~((2007-2009))~~ 2009-2011 fiscal biennium, all expenses for administration of the office of the attorney general shall be allocated to and paid from the legal services revolving fund in accordance with accounting procedures prescribed by the director of financial management.

Sec. 931 RCW 43.17.390 and 2005 c 384 s 4 are each amended to read as follows:

Starting ~~((no later than 2008))~~ in 2012, and at least once every three years thereafter, each agency shall apply to the Washington state quality award, or similar organization, for an independent assessment of its quality management, accountability, and performance system. The assessment shall evaluate the effectiveness of all elements of its management, accountability, and performance system, including: Leadership, strategic planning, customer focus, analysis and information, employee performance management, and process improvement. The purpose of the assessment is to recognize best practice and identify improvement opportunities.

Sec. 932 RCW 43.19.501 and 2008 c 328 s 6016 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 fiscal biennium, 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. 933 RCW 43.21A.667 and 2005 c 464 s 4 are each amended to read as follows:

(1) The freshwater aquatic algae control account is created in the state treasury. Moneys directed to the account from RCW 88.02.050 must be deposited in the account. Expenditures from the account may only be used as provided in this section. Moneys in the account may be spent only after appropriation.

(2) Funds in the freshwater aquatic algae control account may be appropriated to the

department to develop a freshwater aquatic algae control program. Funds must be expended as follows:

(a) As grants to cities, counties, tribes, special purpose districts, and state agencies to manage excessive freshwater algae, with priority for the treatment of lakes in which harmful algal blooms have occurred within the past three years; and during the 2009-2011 fiscal biennium to provide grants for sea lettuce research and removal to assist Puget Sound communities that are impacted by hyperblooms of sea lettuce; and

(b) To provide technical assistance to applicants and the public about aquatic algae control.

(3) The department shall submit a biennial report to the appropriate legislative committees describing the actions taken to implement this section along with suggestions on how to better fulfill the intent of chapter 464, Laws of 2005. The first report is due December 1, 2007.

NEW SECTION. Sec. 934 A new section is added to chapter 43.70 RCW to read as follows:

The universal vaccine purchase account is created in the custody of the state treasurer. Receipts from public and private sources for the purpose of increasing access to vaccines for children may be deposited into the account. Expenditures from the account must be used exclusively for the purchase of vaccines, at no cost to health care providers in Washington, to administer to children under nineteen years old who are not eligible to receive vaccines at no cost through federal programs. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

Sec. 935 RCW 43.79.201 and 1995 c 399 s 77 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 (~~who are mentally ill, developmentally disabled~~) 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 for the housing assistance program under chapter 43.185 RCW. During the 2009-2011 fiscal biennium, 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.

****Sec. 936 RCW 43.79.460 and 2009 c 4 s 902 are each amended to read as follows:***

(1) The savings incentive account is created in the custody of the state treasurer. The account shall consist of all moneys appropriated to the account by the legislature. The account is subject to the allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures from the account.

(2) Within the savings incentive account, the state treasurer may create subaccounts to be

credited with incentive savings attributable to individual state agencies, as determined by the office of financial management in consultation with the legislative fiscal committees. Moneys deposited in the subaccounts may be expended only on the authorization of the agency's executive head or designee and only for the purpose of one-time expenditures to improve the quality, efficiency, and effectiveness of services to customers of the state, such as one-time expenditures for employee training, employee incentives, technology improvements, new work processes, or performance measurement. Funds may not be expended from the account to establish new programs or services, expand existing programs or services, or incur ongoing costs that would require future expenditures.

(3) For purposes of this section, "incentive savings" means state general fund appropriations that are unspent as of June 30th of a fiscal year, excluding any amounts included in across-the-board reductions under RCW 43.88.110 and excluding unspent appropriations for:

(a) Caseload and enrollment in entitlement programs, except to the extent that an agency has clearly demonstrated that efficiencies have been achieved in the administration of the entitlement program. "Entitlement program," as used in this section, includes programs for which specific sums of money are appropriated for pass-through to third parties or other entities;

(b) Enrollments in state institutions of higher education;

(c) A specific amount contained in a condition or limitation to an appropriation in the biennial appropriations act, if the agency did not achieve the specific purpose or objective of the condition or limitation;

(d) Debt service on state obligations; and

(e) State retirement system obligations.

(4) The office of financial management, after consulting with the legislative fiscal committees, shall report to the treasurer the amount of savings incentives achieved. By December 1, ((1998)) 2010, and each December 1st thereafter, the office of financial management shall submit a report to the fiscal committees of the legislature on the implementation of this section. The report shall (a) evaluate the impact of this section on agency reversions and end-of-biennium expenditure patterns, and (b) itemize agency expenditures from the savings recovery account. The office of financial management is relieved from having to submit a report by December 1, 2008.

(5) For fiscal year 2009, the legislature may transfer from the savings incentive account to the state general fund such amounts as reflect the fund balance of the account attributable to unspent state general fund appropriations for fiscal year 2008.

**Sec. 936 was vetoed. See message at end of chapter.*

Sec. 937 RCW 43.79.480 and 2005 c 424 s 12 are each amended to read as follows:

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

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

as defined in RCW 43.350.010 to the life sciences discovery fund created in RCW 43.350.070. During the 2009-2011 fiscal biennium, the legislature may transfer less than the entire strategic contribution payments.

(3) The tobacco prevention and control account is created in the state treasury. The source of revenue for this account is moneys transferred to the account from the tobacco settlement account, investment earnings, donations to the account, and other revenues as directed by law. Expenditures from the account are subject to appropriation. During the 2009-2011 fiscal biennium, the legislature may transfer from the tobacco prevention and control account to the state general fund such amounts as represent the excess fund balance of the account.

Sec. 938 RCW 43.83B.360 and 1991 sp.s. c 13 s 33 are each amended to read as follows:

The proceeds from the sale of bonds authorized by RCW 43.83B.300, and 43.83B.355 through 43.83B.375 shall be deposited in the state emergency water projects revolving account, hereby created in the state treasury, and shall be used exclusively for the purposes specified in RCW 43.83B.300, and 43.83B.355 through 43.83B.375 and for the payment of expenses incurred in the issuance and sale of such bonds. During the 2009-2011 fiscal biennium, the legislature may transfer from the state emergency water projects revolving account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 939 RCW 43.135.045 and 2007 c 520 s 6035 and 2007 c 484 s 5 are each reenacted and amended to read as follows:

(1) The student achievement fund is hereby created in the state treasury.

(2) The education construction fund is hereby created in the state treasury.

(a) Funds may be appropriated from the education construction fund exclusively for common school construction or higher education construction. During the 2007-2009 fiscal biennium, funds may also be used for higher education facilities preservation and maintenance. During the 2009-2011 fiscal biennium, 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.

(b) Funds may be appropriated for any other purpose only if approved by a two-thirds vote of each house of the legislature and if approved by a vote of the people at the next general election. An appropriation approved by the people under this subsection shall result in an adjustment to the state expenditure limit only for the fiscal period for which the appropriation is made and shall not affect any subsequent fiscal period.

(3) Funds from the student achievement fund shall be appropriated to the superintendent of public instruction strictly for distribution to school districts to meet the provisions set out in the student achievement act. Allocations shall be made on an equal per full-time equivalent student basis to each school district.

Sec. 940 RCW 43.155.050 and 2008 c 328 s 6002 are each amended to read as follows:

(1) 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, for the infrastructure investment system implementation plan identified in section 1022, chapter 328, Laws of 2008; for the interest rate buy-down pilot program identified in section 1004, chapter 328, Laws of 2008; and for the housing assistance, weatherization, and affordable housing program identified in section 1005, chapter 328, Laws of 2008.))~~ During the 2009-2011 fiscal biennium, the legislature may transfer from the public works assistance account to the general fund and the city-county assistance account such amounts as reflect the excess fund balance of the account.

(2) The job development fund is hereby established in the state treasury. ~~((Up to fifty million dollars each biennium from the public works assistance account may be transferred into the job development fund. Money in the job development fund may be used solely for job development fund program grants, administrative expenses related to the administration of the job development fund program created in RCW 43.160.230, and for the report prepared by the joint legislative audit and review committee pursuant to RCW 44.28.801(2).))~~ Moneys in the job development fund may be spent only after appropriation. ~~((The board shall prepare a prioritized list of proposed projects of up to fifty million dollars as part of the department's 2007-09 biennial budget request. The board may provide an additional alternate job development fund project list of up to ten million dollars. The legislature may remove projects from the list recommended by the board. The legislature may not change the prioritization of projects recommended for funding by the board, but may add projects from the alternate list in order of priority, as long as the total funding does not exceed fifty million dollars.))~~

Sec. 941 RCW 43.215.125 and 2008 c 164 s 2 are each amended to read as follows:

(1) ~~((Within existing funds))~~ For the 2009-2011 fiscal biennium, to the extent funds are appropriated for this purpose, the department shall develop a proposal for implementing a statewide Washington head start program. To the extent possible while maintaining quality standards, the proposal should align the state early childhood education and assistance program with federal head start program eligibility criteria, guidelines, performance standards, and methods/processes for ensuring continuous improvement in program quality. In this proposal, the department shall make recommendations that:

(a) Identify federal head start program guidelines, performance measures and standards, or other requirements for which state flexibility would be recommended. This shall include an analysis of how state flexibility may impact outcomes for children and how that flexibility might deviate from outcomes associated with the federal standards. Areas to be examined must include, but are not limited to, transportation requirements, service hour configurations, delivery methods, and impact on rural programs;

(b) Provide comparative data regarding child performance, readiness, and educational outcomes for Washington's existing head start and early childhood education and assistance programs;

(c) Determine the alignment between head start standards and the recommendations of Washington learns;

(d) Identify any change in the state early childhood education and assistance program laws that would be required to implement the Washington head start proposal;

(e) Identify additional resources needed to meet federal guidelines and standards. Areas to be examined must include, but are not limited to: Per-child funding levels, professional development and training needs, facilities needs, and technical assistance;

(f) Identify state early childhood education and assistance programs that do and do not offer full-day, full-year services to children, and what transition steps would be needed for these programs to operate in the same manner as federal head start programs;

(g) Provide steps for phasing-in the Washington head start proposal;

(h) Include a timeline, strategy, and funding needs to implement a statewide, state-supported early head start program as a component of the Washington head start proposal; and

(i) Detail the process the department would take with the regional office of federal head start in identifying any exceptions or waivers needed to provide flexibility and maintain high quality standards.

(2) In developing its recommendations for this proposal, the department shall seek, where appropriate and available, training or technical assistance from the appropriate regional office of federal head start in order to maximize nonstate resources that might be available for the consultative work and research involved with developing this proposal. The department also shall consult with and solicit input from:

(a) State early childhood education and assistance program providers on Indian reservations and across the state, including providers who operate solely state-supported programs;

(b) Tribal governments operating head start programs and early head start programs in the state to ensure that the needs of Indian and Alaskan native children and their families are incorporated into the recommendations of the proposal, especially as they pertain to standards or guidelines around language acquisition, school readiness, availability and need for services among Indian and Alaskan native children and their families, and curriculum development; and

(c) Providers operating migrant and seasonal head start programs in the state in order to address the needs of the children of migrant and seasonal farmworker families.

(3) The department shall make recommendations on how it would periodically review the standards and guidelines within the Washington head start program, including incorporation of the latest research and information on early childhood development as well as any new innovations that may further improve outcomes to low-income children and their families.

(4) The department's recommendations on a Washington head start proposal shall include how the proposal aligns with the department's current statutory duties. The recommendations shall also include any other options that may improve the quality of state-supported early learning programs.

(5) The department shall deliver its report to the governor and legislature by December 1, 2009.

Sec. 942 RCW 43.325.040 and 2007 c 348 s 305 are each amended to read as follows:

(1) The energy freedom account is created in the state treasury. All receipts from appropriations made to the account and any loan payments of principal and interest derived from loans made under this chapter must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for assistance for projects consistent with this chapter or otherwise authorized by the legislature.

(2) The green energy incentive account is created in the state treasury as a subaccount of the

energy freedom account. All receipts from appropriations made to the green energy incentive account shall be deposited into the account, and may be spent only after appropriation.

Expenditures from the account may be used only for:

- (a) Refueling projects awarded under this chapter;
- (b) Pilot projects for plug-in hybrids, including grants provided for the electrification program set forth in RCW 43.325.110; and
- (c) Demonstration projects developed with state universities as defined in RCW 28B.10.016 and local governments that result in the design and building of a hydrogen vehicle fueling station.

(3) Any state agency receiving funding from the energy freedom account is prohibited from retaining greater than three percent of any funding provided from the energy freedom account for administrative overhead or other deductions not directly associated with conducting the research, projects, or other end products that the funding is designed to produce unless this provision is waived in writing by the director.

(4) Any university, institute, or other entity that is not a state agency receiving funding from the energy freedom account is prohibited from retaining greater than fifteen percent of any funding provided from the energy freedom account for administrative overhead or other deductions not directly associated with conducting the research, projects, or other end products that the funding is designed to produce.

(5) Subsections (2) through (4) of this section do not apply to assistance awarded for projects under RCW 43.325.020(3).

(6) During the 2009-2011 fiscal biennium, the legislature may transfer from the energy freedom account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 943 RCW 43.330.250 and 2008 c 329 s 914 are each 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 community, trade, and economic development 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 ((2007-2009)) 2009-2011 fiscal biennium, 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 community, trade, and economic development 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. 944 RCW 46.09.170 and 2007 c 522 s 953 and 2007 c 241 s 16 are each reenacted and amended to read as follows:

(1) From time to time, but at least once each year, the state treasurer shall refund from the motor vehicle fund one percent of the motor vehicle fuel tax revenues collected under chapter 82.36 RCW, based on a tax rate of: (a) Nineteen cents per gallon of motor vehicle fuel from July 1, 2003, through June 30, 2005; (b) twenty cents per gallon of motor vehicle fuel from July 1, 2005, through June 30, 2007; (c) twenty-one cents per gallon of motor vehicle fuel from July 1, 2007, through June 30, 2009; (d) twenty-two cents per gallon of motor vehicle fuel from July 1, 2009, through June 30, 2011; and (e) twenty-three cents per gallon of motor vehicle fuel beginning July 1, 2011, and thereafter, less proper deductions for refunds and costs of collection as provided in RCW 46.68.090.

(2) The treasurer shall place these funds in the general fund as follows:

(a) Thirty-six percent shall be credited to the ORV and nonhighway vehicle account and administered by the department of natural resources solely for acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities, and information programs and maintenance of nonhighway roads;

(b) Three and one-half percent shall be credited to the ORV and nonhighway vehicle account and administered by the department of fish and wildlife solely for the acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities and the maintenance of nonhighway roads;

(c) Two percent shall be credited to the ORV and nonhighway vehicle account and administered by the parks and recreation commission solely for the acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities; and

(d) Fifty-eight and one-half percent shall be credited to the nonhighway and off-road vehicle activities program account to be administered by the board for planning, acquisition, development, maintenance, and management of ORV, nonmotorized, and nonhighway road

recreation facilities and for education, information, and law enforcement programs. The funds under this subsection shall be expended in accordance with the following limitations:

(i) Not more than thirty percent may be expended for education, information, and law enforcement programs under this chapter;

(ii) Not less than seventy percent may be expended for ORV, nonmotorized, and nonhighway road recreation facilities. Except as provided in (d)(iii) of this subsection, of this amount:

(A) Not less than thirty percent, together with the funds the board receives under RCW 46.09.110, may be expended for ORV recreation facilities;

(B) Not less than thirty percent may be expended for nonmotorized recreation facilities. Funds expended under this subsection (2)(d)(ii)(B) shall be known as Ira Spring outdoor recreation facilities funds; and

(C) Not less than thirty percent may be expended for nonhighway road recreation facilities;

(iii) The board may waive the minimum percentage cited in (d)(ii) of this subsection due to insufficient requests for funds or projects that score low in the board's project evaluation. Funds remaining after such a waiver must be allocated in accordance with board policy.

(3) On a yearly basis an agency may not, except as provided in RCW 46.09.110, expend more than ten percent of the funds it receives under this chapter for general administration expenses incurred in carrying out this chapter.

(4) During the ((2007-09)) 2009-2011 fiscal biennium, the legislature may appropriate such amounts as reflect the excess fund balance in the NOVA account to the department of natural resources ((for planning and designing)) to install consistent off-road vehicle signage at department-managed recreation sites, and ((for planning)) to implement the recreation opportunities on department-managed lands in the Reiter block and Ahtanum state forest, and to the state parks and recreation commission for maintenance and operation of parks and to improve accessibility for boaters and off-road vehicle users. This appropriation is not required to follow the specific distribution specified in subsection (2) of this section.

Sec. 945 RCW 46.66.080 and 2007 c 199 s 27 are each amended to read as follows:

(1) The Washington auto theft prevention authority account is created in the state treasury, subject to appropriation. All revenues from the traffic infraction surcharge in RCW 46.63.110(7)(b) and all receipts from gifts, grants, bequests, devises, or other funds from public and private sources to support the activities of the auto theft prevention authority must be deposited into the account. Expenditures from the account may be used only for activities relating to motor vehicle theft, including education, prevention, law enforcement, investigation, prosecution, and confinement. During the 2009-2011 fiscal biennium, the legislature may appropriate moneys from the Washington auto theft prevention authority account for criminal justice purposes and community building.

(2) The authority shall allocate moneys appropriated from the account to public agencies for the purpose of establishing, maintaining, and supporting programs that are designed to prevent motor vehicle theft, including:

(a) Financial support to prosecution agencies to increase the effectiveness of motor vehicle theft prosecution;

(b) Financial support to a unit of local government or a team consisting of units of local governments to increase the effectiveness of motor vehicle theft enforcement;

(c) Financial support for the procurement of equipment and technologies for use by law enforcement agencies for the purpose of enforcing motor vehicle theft laws; and

(d) Financial support for programs that are designed to educate and assist the public in the prevention of motor vehicle theft.

(3) The costs of administration shall not exceed ten percent of the moneys in the account in any one year so that the greatest possible portion of the moneys available to the authority is expended on combating motor vehicle theft.

(4) Prior to awarding any moneys from the Washington auto theft prevention authority account for motor vehicle theft enforcement, the auto theft prevention authority must verify that the financial award includes sufficient funding to cover proposed activities, which include, but are not limited to: (a) State, municipal, and county offender and juvenile confinement costs; (b) administration costs; (c) law enforcement costs; (d) prosecutor costs; and (e) court costs, with a priority being given to ensuring that sufficient funding is available to cover state, municipal, and county offender and juvenile confinement costs.

(5) Moneys expended from the Washington auto theft prevention authority account under subsection (2) of this section shall be used to supplement, not supplant, other moneys that are available for motor vehicle theft prevention.

(6) Grants provided under subsection (2) of this section constitute reimbursement for purposes of RCW 43.135.060(1).

Sec. 946 RCW 50.16.010 and 2009 c 4 s 906 are each amended to read as follows:

(1) There shall be maintained as special funds, separate and apart from all public moneys or funds of this state an unemployment compensation fund, an administrative contingency fund, and a federal interest payment fund, which shall be administered by the commissioner exclusively for the purposes of this title, and to which RCW 43.01.050 shall not be applicable.

(2)(a) The unemployment compensation fund shall consist of:

(i) All contributions collected under RCW 50.24.010 and payments in lieu of contributions collected pursuant to the provisions of this title;

(ii) Any property or securities acquired through the use of moneys belonging to the fund;

(iii) All earnings of such property or securities;

(iv) Any moneys received from the federal unemployment account in the unemployment trust fund in accordance with Title XII of the social security act, as amended;

(v) All money recovered on official bonds for losses sustained by the fund;

(vi) All money credited to this state's account in the unemployment trust fund pursuant to section 903 of the social security act, as amended;

(vii) All money received from the federal government as reimbursement pursuant to section 204 of the federal-state extended compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304); and

(viii) All moneys received for the fund from any other source.

(b) All moneys in the unemployment compensation fund shall be commingled and undivided.

(3)(a) Except as provided in (b) of this subsection, the administrative contingency fund shall consist of:

(i) All interest on delinquent contributions collected pursuant to this title;

(ii) All fines and penalties collected pursuant to the provisions of this title;

(iii) All sums recovered on official bonds for losses sustained by the fund; and

(iv) Revenue received under RCW 50.24.014.

(b) All fees, fines, forfeitures, and penalties collected or assessed by a district court because of the violation of this title or rules adopted under this title shall be remitted as provided in

chapter 3.62 RCW.

(c) ~~((During the 2007-2009 biennium))~~ Except as provided in (d) of this subsection, moneys available in the administrative contingency fund, other than money in the special account created under RCW 50.24.014~~((1)(a))~~, shall be expended ~~((as appropriated by the legislature for the (i) cost of the job skills or worker retraining programs at the community and technical colleges and administrative costs at the state board for community and technical colleges, and (ii) reemployment services such as business and project development assistance, local economic development capacity building, and local economic development financial assistance at the department of community, trade, and economic development, and the remaining appropriation))~~ upon the direction of the commissioner, with the approval of the governor, whenever it appears to him or her that such expenditure is necessary solely for:

(i) The proper administration of this title and that insufficient federal funds are available for the specific purpose to which such expenditure is to be made, provided, the moneys are not substituted for appropriations from federal funds which, in the absence of such moneys, would be made available.

(ii) The proper administration of this title for which purpose appropriations from federal funds have been requested but not yet received, provided, the administrative contingency fund will be reimbursed upon receipt of the requested federal appropriation.

(iii) The proper administration of this title for which compliance and audit issues have been identified that establish federal claims requiring the expenditure of state resources in resolution. Claims must be resolved in the following priority: First priority is to provide services to eligible participants within the state; second priority is to provide substitute services or program support; and last priority is the direct payment of funds to the federal government.

(d)(i) During the 2007-2009 fiscal biennium, moneys available in the administrative contingency fund, other than money in the special account created under RCW 50.24.014(1)(a), shall be expended as appropriated by the legislature for: (A) The cost of the job skills or worker retraining programs at the community and technical colleges and administrative costs at the state board for community and technical colleges; and (B) reemployment services such as business and project development assistance, local economic development capacity building, and local economic development financial assistance at the department of community, trade, and economic development. The remaining appropriation may be expended as specified in (c) of this subsection.

(ii) During the 2009-2011 fiscal biennium, moneys available in the administrative contingency fund, other than money in the special account created under RCW 50.24.014(1)(a), shall be expended by the department of social and health services as appropriated by the legislature for employment and training services and programs in the WorkFirst program, and for the administrative costs of state agencies participating in the WorkFirst program. The remaining appropriation may be expended as specified in (c) of this subsection.

(4) Money in the special account created under RCW 50.24.014(1)(a) may only be expended, after appropriation, for the purposes specified in this section and RCW 50.62.010, 50.62.020, 50.62.030, 50.24.014, 50.44.053, and 50.22.010.

Sec. 947 RCW 66.08.170 and 2002 c 371 s 917 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 ~~((2001-2003))~~ 2009-2011 fiscal biennium, the legislature may transfer funds from the liquor revolving account to the state general fund ~~((such amounts as reflect the excess fund balance of the fund and reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings))~~ 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. 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. 948 RCW 67.40.040 and 2008 c 329 s 917 and 2008 c 328 s 6011 are each reenacted and amended to read as follows:*

(1) The proceeds from the sale of the bonds authorized in RCW 67.40.030, proceeds of the taxes imposed under RCW 67.40.090 and 67.40.130, and all other moneys received by the state convention and trade center from any public or private source which are intended to fund the acquisition, design, construction, expansion, exterior cleanup and repair of the Eagles building, conversion of various retail and other space to meeting rooms, purchase of the land and building known as the McKay Parcel, development of low-income housing, or renovation of the center, and those expenditures authorized under RCW 67.40.170 shall be deposited in the state convention and trade center account hereby created in the state treasury and in such subaccounts as are deemed appropriate by the directors of the corporation.

(2) Moneys in the account, including unanticipated revenues under RCW 43.79.270, shall be used exclusively for the following purposes in the following priority:

(a) For reimbursement of the state general fund under RCW 67.40.060;

(b) After appropriation by statute:

(i) For payment of expenses incurred in the issuance and sale of the bonds issued under RCW 67.40.030;

(ii) For expenditures authorized in RCW 67.40.170, and during the ~~((2007-2009))~~ 2009-2011 fiscal biennium, the legislature may transfer from the state convention and trade center account ~~((to the Washington housing trust account such amounts as reflect the excess fund balance in the account; and during the 2007-2009 biennium, the legislature may transfer from the state convention and trade center account))~~ to the general fund such amounts as reflect the excess fund balance in the account;

(iii) For acquisition, design, and construction of the state convention and trade center;

(iv) For debt service for the acquisition, design, and construction and retrofit of the museum of history and industry museum property or other future expansions of the convention center as approved by the legislature; and

(v) For reimbursement of any expenditures from the state general fund in support of the state convention and trade center; and

(c) For transfer to the state convention and trade center operations account.

(3) The corporation shall identify with specificity those facilities of the state convention and

trade center that are to be financed with proceeds of general obligation bonds, the interest on which is intended to be excluded from gross income for federal income tax purposes. The corporation shall not permit the extent or manner of private business use of those bond-financed facilities to be inconsistent with treatment of such bonds as governmental bonds under applicable provisions of the Internal Revenue Code of 1986, as amended.

(4) In order to ensure consistent treatment of bonds authorized under RCW 67.40.030 with applicable provisions of the Internal Revenue Code of 1986, as amended, and notwithstanding RCW 43.84.092, investment earnings on bond proceeds deposited in the state convention and trade center account in the state treasury shall be retained in the account, and shall be expended by the corporation for the purposes authorized under chapter 386, Laws of 1995 and in a manner consistent with applicable provisions of the Internal Revenue Code of 1986, as amended.

(5) Subject to the conditions in subsection (6) of this section, starting in fiscal year 2008, and except for the 2009-2011 fiscal biennium in which no transfers shall be made, the state treasurer shall transfer:

(a) The sum of four million dollars, or as much as may be available pursuant to conditions set forth in this section, from the state convention and trade center account to the tourism enterprise account, with the maximum transfer being four million dollars per fiscal year; and

(b) The sum of five hundred thousand dollars, or as much as may be available pursuant to conditions set forth in this section, from the state convention and trade center account to the tourism development and promotion account, with the maximum transfer being five hundred thousand dollars per fiscal year.

(6)(a) Funds required for debt service payments and reserves for bonds issued under RCW 67.40.030; for debt service authorized under RCW 67.40.170; and for the issuance and sale of financial instruments associated with the acquisition, design, construction, and retrofit of the museum of history and industry museum property or for other future expansions of the center, as approved by the legislature, shall be maintained within the state convention and trade center account.

(b) Except for during the 2009-2011 fiscal biennium, during which no reserve shall be retained, no less than six million one hundred fifty thousand dollars per year shall be retained in the state convention and trade center account for funding capital maintenance as required by the center's long-term capital plan, facility enhancements, unanticipated replacements, and operating reserves for the convention center operation. This amount shall be escalated annually as follows:

(i) Four percent for annual inflation for capital maintenance, repairs, and replacement;
(ii) An additional two percent for enhancement to the facility; and
(iii) An additional three percent for growth in expenditure due to aging of the facility and the need to maintain an operating reserve.

(c) Sufficient funds shall be reserved within the state convention and trade center account to fund operating appropriations for the annual operation of the convention center.

**Sec. 948 was vetoed. See message at end of chapter.*

Sec. 949 RCW 67.70.190 and 2005 c 427 s 2 are each amended to read as follows:

Unclaimed prizes shall be retained in the state lottery account for the person entitled thereto for one hundred eighty days after the drawing in which the prize is won, or after the official end of the game for instant prizes. If no claim is made for the prize within this time, all rights to the

prize shall be extinguished, and the prize shall be retained in the state lottery fund for further use as prizes, except that one-third of all unclaimed prize money shall be deposited in the economic development strategic reserve account created in RCW 43.330.250.

On July 1, 2009, June 30, 2010, and June 30, 2011, all unclaimed prize money retained in the state lottery fund in excess of three million dollars, excluding amounts distributed to the economic development strategic reserve account, shall be transferred into the state general fund.

Sec. 950 RCW 70.93.180 and 2005 c 518 s 939 are each amended to read as follows:

(1) There is hereby created an account within the state treasury to be known as the "waste reduction, recycling, and litter control account". Moneys in the account may be spent only after appropriation. Expenditures from the waste reduction, recycling, and litter control account shall be used as follows:

(a) Fifty percent to the department of ecology, for use by the departments of ecology, natural resources, revenue, transportation, and corrections, and the parks and recreation commission, for use in litter collection programs, to be distributed under RCW 70.93.220. The amount to the department of ecology shall also be used for a central coordination function for litter control efforts statewide, for the biennial litter survey under RCW 70.93.200(8), and for statewide public awareness programs under RCW 70.93.200(7). The amount to the department shall also be used to defray the costs of administering the funding, coordination, and oversight of local government programs for waste reduction, litter control, and recycling, so that local governments can apply one hundred percent of their funding to achieving program goals. The amount to the department of revenue shall be used to enforce compliance with the litter tax imposed in chapter 82.19 RCW;

(b) Twenty percent to the department for local government funding programs for waste reduction, litter control, and recycling activities by cities and counties under RCW 70.93.250, to be administered by the department of ecology; and

(c) Thirty percent to the department of ecology for waste reduction and recycling efforts.

(2) All taxes imposed in RCW 82.19.010 and fines and bail forfeitures collected or received pursuant to this chapter shall be deposited in the waste reduction, recycling, and litter control account and used for the programs under subsection (1) of this section.

(3) Not less than five percent and no more than ten percent of the amount appropriated into the waste reduction, recycling, and litter control account every biennium shall be reserved for capital needs, including the purchase of vehicles for transporting crews and for collecting litter and solid waste. Capital funds shall be distributed among state agencies and local governments according to the same criteria provided in RCW 70.93.220 for the remainder of the funds, so that the most effective waste reduction, litter control, and recycling programs receive the most funding. The intent of this subsection is to provide funds for the purchase of equipment that will enable the department to account for the greatest return on investment in terms of reaching a zero litter goal.

(4) During the ((2005-2007)) 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. For purposes of subsection (1) of this section, this transfer shall be treated as an expenditure for litter collection.

Sec. 951 RCW 70.105D.070 and 2008 c 329 s 921, 2008 c 329 s 920, 2008 c 329 s 919, and 2008 c 328 s 6009 are each reenacted and amended to read as follows:

(1) The state toxics control account and the local toxics control account are hereby created in the state treasury.

(2) The following moneys shall be deposited into the state toxics control account: (a) Those revenues which are raised by the tax imposed under RCW 82.21.030 and which are attributable to that portion of the rate equal to thirty-three one-hundredths of one percent; (b) the costs of remedial actions recovered under this chapter or chapter 70.105A RCW; (c) penalties collected or recovered under this chapter; and (d) any other money appropriated or transferred to the account by the legislature. Moneys in the account may be used only to carry out the purposes of this chapter, including but not limited to the following activities:

(i) The state's responsibility for hazardous waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.105 RCW;

(ii) The state's responsibility for solid waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.95 RCW;

(iii) The hazardous waste cleanup program required under this chapter;

(iv) State matching funds required under the federal cleanup law;

(v) Financial assistance for local programs in accordance with chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

(vi) State government programs for the safe reduction, recycling, or disposal of hazardous wastes from households, small businesses, and agriculture;

(vii) Hazardous materials emergency response training;

(viii) Water and environmental health protection and monitoring programs;

(ix) Programs authorized under chapter 70.146 RCW;

(x) A public participation program, including regional citizen advisory committees;

(xi) Public funding to assist potentially liable persons to pay for the costs of remedial action in compliance with cleanup standards under RCW 70.105D.030(2)(e) but only when the amount and terms of such funding are established under a settlement agreement under RCW 70.105D.040(4) and when the director has found that the funding will achieve both (A) a substantially more expeditious or enhanced cleanup than would otherwise occur, and (B) the prevention or mitigation of unfair economic hardship; (~~and~~)

(xii) Development and demonstration of alternative management technologies designed to carry out the hazardous waste management priorities of RCW 70.105.150; and

(xiii) During the 2009-2011 fiscal biennium, shoreline update technical assistance.

(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) (Funds may also be appropriated to the department of health to implement programs to reduce testing requirements under the federal safe drinking water act for public water systems. The department of health shall reimburse the account from fees assessed under RCW 70.119A.115 by June 30, 1995.~~

~~(d))~~ 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.

(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. ~~((However, during the 1999-2001 fiscal biennium, funding may not be granted to entities engaged in lobbying activities, and applicants may not be awarded grants if their cumulative grant awards under this section exceed two hundred thousand dollars.))~~ No grant may exceed sixty thousand dollars. Grants may be renewed annually. Moneys appropriated for public participation from either account which are not expended at the close of any biennium shall revert to the state toxics control account.

(6) No moneys deposited into either the state or local toxics control account may be used for solid waste incinerator feasibility studies, construction, maintenance, or operation, 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 ~~((biennium))~~ biennia, the legislature may transfer from the local toxics control account to ~~((the state toxics control))~~ 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 ~~((2007-2009))~~ 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.

Sec. 952 RCW 71.24.310 and 2006 c 333 s 107 are each amended to read as follows:

The legislature finds that administration of chapter 71.05 RCW and this chapter can be most efficiently and effectively implemented as part of the regional support network defined in RCW 71.24.025. For this reason, the legislature intends that the department and the regional support networks shall work together to implement chapter 71.05 RCW as follows:

(1) By June 1, 2006, regional support networks shall recommend to the department the number of state hospital beds that should be allocated for use by each regional support network. The statewide total allocation shall not exceed the number of state hospital beds offering long-term inpatient care, as defined in this chapter, for which funding is provided in the biennial appropriations act.

(2) If there is consensus among the regional support networks regarding the number of state hospital beds that should be allocated for use by each regional support network, the department shall contract with each regional support network accordingly.

(3) If there is not consensus among the regional support networks regarding the number of beds that should be allocated for use by each regional support network, the department shall establish by emergency rule the number of state hospital beds that are available for use by each regional support network. The emergency rule shall be effective September 1, 2006. The primary factor used in the allocation shall be the estimated number of ~~((acutely and chronically mentally ill))~~ adults with acute and chronic mental illness in each regional support network area, based upon population-adjusted incidence and utilization.

(4) The allocation formula shall be updated at least every three years to reflect demographic changes, and new evidence regarding the incidence of acute and chronic mental illness and the need for long-term inpatient care. In the updates, the statewide total allocation shall include (a) all state hospital beds offering long-term inpatient care for which funding is provided in the biennial appropriations act; plus (b) the estimated equivalent number of beds or comparable diversion services contracted in accordance with subsection (5) of this section.

(5) The department is encouraged to enter performance-based contracts with regional support networks to provide some or all of the regional support network's allocated long-term inpatient treatment capacity in the community, rather than in the state hospital. The performance contracts shall specify the number of patient days of care available for use by the regional support network in the state hospital.

(6) If a regional support network uses more state hospital patient days of care than it has been

allocated under subsection (3) or (4) of this section, or than it has contracted to use under subsection (5) of this section, whichever is less, it shall reimburse the department for that care. The reimbursement rate per day shall be the hospital's total annual budget for long-term inpatient care, divided by the total patient days of care assumed in development of that budget.

(7) One-half of any reimbursements received pursuant to subsection (6) of this section shall be used to support the cost of operating the state hospital and, during calendar year 2009, implementing new services that will enable a regional support network to reduce its utilization of the state hospital. The department shall distribute the remaining half of such reimbursements among regional support networks that have used less than their allocated or contracted patient days of care at that hospital, proportional to the number of patient days of care not used.

Sec. 953 RCW 74.08A.340 and 2008 c 329 s 922 are each amended to read as follows:

The department of social and health services shall operate the Washington WorkFirst program authorized under RCW 74.08A.200 through 74.08A.330, 43.330.145, 43.215.545, and 74.25.040, and chapter 74.12 RCW within the following constraints:

(1) The full amount of the temporary assistance for needy families block grant, plus qualifying state expenditures as appropriated in the biennial operating budget, shall be appropriated to the department each year in the biennial appropriations act to carry out the provisions of the program authorized in RCW 74.08A.200 through 74.08A.330, 43.330.145, 43.215.545, and 74.25.040, and chapter 74.12 RCW.

(2)(a) The department may expend funds defined in subsection (1) of this section in any manner that will effectively accomplish the outcome measures defined in RCW 74.08A.410 with the following exception: Beginning with the 2007-2009 biennium, funds that constitute the working connections child care program, child care quality programs, and child care licensing functions.

(b) Beginning in the 2007-2009 fiscal biennium, the legislature shall appropriate and the departments of early learning and social and health services shall expend funds defined in subsection (1) of this section that constitute the working connections child care program, child care quality programs, and child care licensing functions in a manner that is consistent with the outcome measures defined in RCW 74.08A.410.

(c) No more than fifteen percent of the amount provided in subsection (1) of this section may be spent for administrative purposes. For the purpose of this subsection, "administrative purposes" does not include expenditures for information technology and computerization needed for tracking and monitoring required by P.L. 104-193. The department shall not increase grant levels to recipients of the program authorized in RCW 74.08A.200 through 74.08A.330 and 43.330.145 and chapter 74.12 RCW, except as authorized in the omnibus appropriations act for the ~~((2007-2009))~~ 2009-2011 biennium.

(3) The department shall implement strategies that accomplish the outcome measures identified in RCW 74.08A.410 that are within the funding constraints in this section. Specifically, the department shall implement strategies that will cause the number of cases in the program authorized in RCW 74.08A.200 through 74.08A.330 and 43.330.145 and chapter 74.12 RCW to decrease by at least fifteen percent during the 1997-99 biennium and by at least five percent in the subsequent biennium. The department may transfer appropriation authority between funding categories within the economic services program in order to carry out the requirements of this subsection.

(4) The department shall monitor expenditures against the appropriation levels provided for in

subsection (1) of this section. The department shall quarterly make a determination as to whether expenditure levels will exceed available funding and communicate its finding to the legislature. If the determination indicates that expenditures will exceed funding at the end of the fiscal year, the department shall take all necessary actions to ensure that all services provided under this chapter shall be made available only to the extent of the availability and level of appropriation made by the legislature.

Sec. 954 RCW 74.13.621 and 2005 c 439 s 1 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 (~~January 1, 2010~~) June 30, 2011.

***Sec. 955** RCW 77.12.820 and 1997 c 422 s 5 are each amended to read as follows:
The eastern Washington pheasant enhancement account is created in the custody of the

state treasurer. All receipts under RCW 77.12.810 must be deposited in the account. Moneys in the account are subject to legislative appropriation and shall be used for the purpose of funding the eastern Washington pheasant enhancement program. The department may use moneys from the account to improve pheasant habitat or to purchase or produce pheasants. Except as otherwise provided in the omnibus appropriations act for the 2009-2011 fiscal biennium, not less than eighty percent of expenditures from the account must be used to purchase or produce pheasants. The eastern Washington pheasant enhancement account funds must not be used for the purchase of land. The account may be used to offer grants to improve pheasant habitat on public or private lands that are open to public hunting. The department may enter partnerships with private landowners, nonprofit corporations, cooperative groups, and federal or state agencies for the purposes of pheasant habitat enhancement in areas that will be available for public hunting.

**Sec. 955 was vetoed. See message at end of chapter*

Sec. 956 RCW 77.32.010 and 2008 c 329 s 923 are each amended to read as follows:

(1) Except as otherwise provided in this chapter, a recreational license issued by the director is required to hunt for or take wild animals or wild birds, fish for, take, or harvest fish, shellfish, and seaweed. A recreational fishing or shellfish license is not required for carp, smelt, and crawfish, and a hunting license is not required for bullfrogs.

(2) A permit issued by the department is required to park a motor vehicle upon improved department access facilities.

(3) During the (~~2007-09~~) 2009-2011 fiscal biennium to enable the implementation of the pilot project established in section 307, chapter 329, Laws of 2008, a fishing permit issued to a nontribal member by the Colville Tribes shall satisfy the license requirements in subsection (1) of this section on the waters of Lake Rufus Woods and on the north shore of Lake Rufus Woods, and a Colville Tribes tribal member identification card shall satisfy the license requirements in subsection (1) of this section on all waters of Lake Rufus Woods.

Sec. 957 RCW 79.64.040 and 2007 c 522 s 958 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 ~~((2007-2009))~~ 2009-2011 fiscal biennium, the twenty-five percent limitation on deductions set in subsection (3) of this section may be increased up to thirty percent by the board ~~((, provided the total amount deducted does not exceed the total appropriations in the operating and capital budgets for the fiscal period. At the end of the fiscal period, any amounts deducted in excess of the appropriations shall be transferred to the appropriate beneficiary distribution accounts))~~.

Sec. 958 RCW 79A.25.080 and 2007 c 241 s 44 are each amended to read as follows:

(1) Moneys transferred to the recreation resource account from the marine fuel tax refund account may be used when appropriated by the legislature, as well as any federal or other funds now or hereafter available, to pay the office and necessary administrative and coordinative costs of the recreation and conservation funding board established by RCW 79A.25.110. All moneys so transferred, except those appropriated as aforesaid, shall be divided into two equal shares and shall be used to benefit watercraft recreation in this state as follows:

~~((1))~~ (a) One share as grants to state agencies for ~~((a))~~ (i) acquisition of title to, or any interests or rights in, marine recreation land, ~~((b))~~ (ii) capital improvement and renovation of marine recreation land, including periodic dredging in accordance with subsection ~~((3))~~ (2) of this section, if needed, to maintain or make the facility more useful, or ~~((c))~~ (iii) matching funds in any case where federal or other funds are made available on a matching basis for purposes described in (a)(i) or ~~((b))~~ (ii) of this subsection;

~~((2))~~ (b) One share as grants to public bodies to help finance ~~((a))~~ (i) acquisition of title to, or any interests or rights in, marine recreation land, or ~~((b))~~ (ii) capital improvement and renovation of marine recreation land, including periodic dredging in accordance with subsection ~~((3))~~ (2) of this section, if needed, to maintain or make the facility more useful. A public body is authorized to use a grant, together with its own contribution, as matching funds in any case where federal or other funds are made available for purposes described in (a)(i) or ~~((b))~~ (ii) of this subsection. The board may prescribe further terms and conditions for the making of grants in order to carry out the purposes of this chapter.

~~((3))~~ (2) For the purposes of this section "periodic dredging" is limited to dredging of materials that have been deposited in a channel due to unforeseen events. This dredging should extend the expected usefulness of the facility for at least five years.

(3) During the 2009-2011 fiscal biennium, the legislature may appropriate such amounts as reflect the excess fund balance in the recreation resource account to the state parks and recreation commission for maintenance and operation of parks and to improve accessibility for boaters and off-road vehicle users. This appropriation is not required to follow the specific distribution specified in subsection (1)(a) and (b) of this section.

Sec. 959 RCW 79.105.150 and 2008 c 299 s 28 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 2009-11 fiscal biennium, 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. 960 RCW 80.36.430 and 2004 c 254 s 2 are each amended to read as follows:

(1) The Washington telephone assistance program shall be funded by a telephone assistance excise tax on all switched access lines and by funds from any federal government or other programs for this purpose. Switched access lines are defined in RCW 82.14B.020. The telephone assistance excise tax shall be applied equally to all residential and business access lines not to exceed fourteen cents per month. The department shall submit an approved annual budget for the Washington telephone assistance program to the department of revenue no later than March 1st prior to the beginning of each fiscal year. The department of revenue shall then determine the amount of telephone assistance excise tax to be placed on each switched access line and shall inform local exchange companies and the utilities and transportation commission of this amount no later than May 1st. The department of revenue shall determine the amount of telephone assistance excise tax by dividing the total of the program budget funded by the telephone assistance excise tax, as submitted by the department, by the total number of switched access lines in the prior calendar year. The telephone assistance excise tax shall be separately identified on each ratepayer's bill as the "Washington telephone assistance program." All money collected from the telephone assistance excise tax shall be transferred to a telephone assistance fund administered by the department.

(2) Local exchange companies shall bill the fund for their expenses incurred in offering the telephone assistance program, including administrative and program expenses. The department shall disburse the money to the local exchange companies. The department is exempted from having to conclude a contract with local exchange companies in order to effect this reimbursement. The department shall recover its administrative costs from the fund. The

department may specify by rule the range and extent of administrative and program expenses that will be reimbursed to local exchange companies.

(3) The department shall enter into an agreement with the department of community, trade, and economic development for an amount not to exceed eight percent of the prior fiscal year's total revenue for the administrative and program expenses of providing community service voice mail services. The community service voice mail service may include toll-free lines in community action agencies through which recipients can access their community service voice mailboxes at no charge.

(4) During the 2009-2011 biennium, the department shall enter into an agreement with the military department for one million dollars to support the WIN 211 program.

Sec. 961 RCW 86.26.007 and 2005 c 518 s 947 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 fiscal biennium, 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.

NEW SECTION. **Sec. 962** Section 940 of this act expires June 30, 2011.

NEW SECTION. **Sec. 963** Section 946 of this act expires June 30, 2016.

(End of part)

PART X GENERAL GOVERNMENT

Sec. 1001 2009 c 4 s 101 (uncodified) is amended to read as follows:

FOR THE HOUSE OF REPRESENTATIVES

General Fund -- State Appropriation (FY 2008)	\$34,807,000
General Fund -- State Appropriation (FY 2009)	(\$35,053,000)
	<u>\$35,483,000</u>
Pension Funding Stabilization Account	
Appropriation	\$560,000
TOTAL APPROPRIATION	(\$70,420,000)
	<u>\$70,850,000</u>

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

(1) \$56,000 of the general fund--state appropriation for fiscal year 2008 is provided solely to implement Senate Bill No. 5926 (construction industry). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(2) \$52,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for the implementation of Third Substitute House Bill No. 1741 (oral history). If the bill is not

enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(3) \$194,000 of the general fund--state appropriation for fiscal year 2008 and \$194,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the legislature to contract for an independent economic and actuarial analysis of health care reform proposals pursuant to Engrossed Substitute Senate Bill No. 6333. The results of this evaluation will be submitted to the governor, the health and fiscal policy committees of the legislature, and the work group by December 15, 2008.

Sec. 1002 2009 c 4 s 110 (uncodified) is amended to read as follows:

FOR THE COURT OF APPEALS

General Fund -- State Appropriation (FY 2008)	\$16,092,000
General Fund -- State Appropriation (FY 2009)	(\$16,765,000)
<u>\$16,813,000</u>	
TOTAL APPROPRIATION	(\$32,857,000)
<u>\$32,905,000</u>	

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

(1) \$100,000 of the general fund--state appropriation for fiscal year 2008 and \$100,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for chapter 34, Laws of 2007 (Senate Bill No. 5351, court of appeals judges' travel).

(2) In addition to other reductions, the reduced appropriations in this section reflect an additional \$376,000 reduction in administrative costs required by Engrossed Substitute Senate Bill No. 5460 (reducing 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.

Sec. 1003 2009 c 4 s 112 (uncodified) is amended to read as follows:

FOR THE ADMINISTRATOR FOR THE COURTS

General Fund -- State Appropriation (FY 2008)	\$30,659,000
General Fund -- State Appropriation (FY 2009)	(\$33,239,000)
<u>\$33,294,000</u>	
Public Safety and Education Account -- State Appropriation (FY 2008)	\$22,558,000
Public Safety and Education Account -- State Appropriation (FY 2009)	(\$23,694,000)
<u>\$23,713,000</u>	
Equal Justice Subaccount of the Public Safety and Education Account -- State Appropriation (FY 2008)	\$3,175,000
Equal Justice Subaccount of the Public Safety and Education Account -- State Appropriation (FY 2009)	\$3,175,000
Judicial Information Systems Account -- State Appropriation	\$40,923,000
TOTAL APPROPRIATION	(\$157,423,000)
<u>\$157,497,000</u>	

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

(1) \$3,900,000 of the general fund--state appropriation for fiscal year 2008 and \$3,900,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for court-appointed special advocates in dependency matters. The administrator for the courts, after consulting with the association of juvenile court administrators and the association of court-appointed special advocate/guardian ad litem programs, shall distribute the funds to volunteer court-appointed special advocate/guardian ad litem programs. The distribution of funding shall be based on the number of children who need volunteer court-appointed special advocate representation and shall be equally accessible to all volunteer court-appointed special advocate/guardian ad litem programs. The administrator for the courts shall not retain more than six percent of total funding to cover administrative or any other agency costs. Funding distributed in this subsection shall not be used to supplant existing local funding for the court-appointed special advocates program.

(2) \$300,000 of the general fund--state appropriation for fiscal year 2008, \$300,000 of the general fund--state appropriation for fiscal year 2009, \$1,500,000 of the public safety and education account--state appropriation for fiscal year 2008, and \$1,500,000 of the public safety and education account--state appropriation for fiscal year 2009 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.

(3)(a) \$1,640,000 of the general fund--state appropriation for fiscal year 2008, \$1,641,000 of the general fund--state appropriation for fiscal year 2009, \$6,612,000 of the public safety and education account--state appropriation for fiscal year 2008, and \$6,612,000 of the public safety and education account--state appropriation for fiscal year 2009 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 2007-09 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.

(4) 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.

(5) \$325,000 of the general fund--state appropriation for fiscal year 2008 is provided solely for the completion of the juror pay pilot and research project.

(6) \$830,000 of the general fund--state appropriation for fiscal year 2008 and \$1,170,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for improving interpreter services at the trial court level.

(a) Of these amounts, \$170,000 for fiscal year 2008 and \$170,000 for fiscal year 2009 are provided solely to assist trial courts in developing and implementing language assistance plans. The administrator of the courts, in consultation with the interpreter commission, shall adopt language assistance plan standards consistent with chapters 2.42 and 2.43 RCW. The standards shall include guidelines on local community input, provisions on notifying court users on the right and methods to obtain an interpreter, information on training for judges and court personnel, procedures for identifying and appointing an interpreter, access to translations of commonly used forms, and processes to evaluate the development and implementation of the plan.

(b) Of these amounts, \$610,000 for fiscal year 2008 and \$950,000 for fiscal year 2009 are provided solely to assist trial courts with interpreter services. In order to be eligible for assistance, a trial court must have completed a language assistance plan consistent with the standards established in (a) of this subsection that is approved by the administrator of the courts and submit the amounts spent annually on interpreter services for fiscal years 2005, 2006, and 2007. The funding in this subsection (b) shall not be used to supplant existing funding and cannot be used for any purpose other than assisting trial courts with interpreter services. At the end of the fiscal year, recipients shall report to the administrator of the court the amount the trial court spent on interpreter services.

(c) \$50,000 for fiscal year 2008 and \$50,000 for fiscal year 2009 are provided solely to the administrator of the courts for administration of this subsection. By December 1, 2009, the administrator of the courts shall report to the appropriate policy and fiscal committees of the legislature: (i) The number of trial courts in the state that have completed a language assistance plan; (ii) the number of trial courts in the state that have not completed a language assistance plan; (iii) the number of trial courts in the state that received assistance under this subsection, the amount of the assistance, and the amount each trial court spent on interpreter services for fiscal years 2005 through 2008 and fiscal year 2009 to date.

(7) \$443,000 of the general fund--state appropriation for fiscal year 2008 and \$543,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the implementation of Second Substitute Senate Bill No. 5470 (dissolution proceedings). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse. Within the amounts provided:

(a) \$100,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for developing training materials for the family court liaisons.

(b) \$43,000 of the general fund--state appropriation for fiscal year 2008 and \$43,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for reimbursement costs related to the family law handbook;

(c) \$350,000 of the general fund--state appropriation for fiscal year 2008 and \$350,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for distribution to counties to provide guardian ad litem services for the indigent for a reduced or waived fee;

(d) \$50,000 of the general fund--state appropriation for fiscal year 2008 and \$50,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for implementing the data tracking provisions specified in sections 701 and 702 of Second Substitute Senate Bill No. 5470 (dissolution).

(8)(a) \$20,458,000 of the judicial information systems account--state appropriation is

provided solely for the development and implementation of the core case management system. In expending the funds provided within this subsection, the following conditions must first be satisfied before any subsequent funds may be expended:

(i) Completion of feasibility studies detailing linkages between the objectives of the core case management system and the following: The technology efforts required and the impacts of the new investments on existing infrastructure and business functions, including the estimated fiscal impacts to the judicial information systems account and the near general fund accounts; the alignment of critical system requirements of varying size courts at the municipal, district, and superior court level with their respective proposed business processes resulting from business process engineering, and detail on the costs and other impacts to the courts for providing critical business requirements not addressed by new common business processes; the specific requirements and business process needs of state agencies dependent on data exchange with the judicial information system; and the results from a proof of implementation phase; and

(ii) Discussion with and presentation to the department of information systems and the information services board regarding the impact on the state agencies dependent on successful data exchange with the judicial information system and the results of the feasibility studies.

(b) The judicial information systems committee shall provide quarterly updates to the appropriate committees of the legislature and the department of information systems on the status of implementation of the core case management system.

(c) The legislature respectfully requests the judicial information systems committee invite representatives from the state agencies dependent on successful data exchange to their regular meetings for consultation as nonvoting members.

(9) \$534,000 of the general fund--state appropriation for fiscal year 2008 and \$949,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for Substitute Senate Bill No. 5320 (public guardianship office). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(10) \$29,000 of the general fund--state appropriation for fiscal year 2008 and \$102,000 of the general fund--state appropriation for fiscal year 2009 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.

(11) \$800,000 of the general fund--state appropriation for fiscal year 2009 is provided solely to implement Second Substitute House Bill No. 2822 (family and juvenile court). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(12) \$90,000 of the general fund--state appropriation for fiscal year 2009 is provided solely to implement Second Substitute House Bill No. 2903 (access coordinator). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(13) In addition to other reductions, the reduced appropriations in this section reflect an additional \$207,000 reduction in administrative costs required by Engrossed Substitute Senate Bill No. 5460 (reducing 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.

(14) \$55,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for the 53rd superior court judge position in King county. The amounts provided in this subsection shall be expended only if the judge is appointed and serving on the bench.

Sec. 1004 2009 c 4 s 118 (uncodified) is amended to read as follows:

FOR THE SECRETARY OF STATE

General Fund -- State Appropriation (FY 2008)	\$33,863,000
General Fund -- State Appropriation (FY 2009)	(\$20,782,000)
	<u>\$21,205,000</u>
General Fund -- Federal Appropriation	\$7,279,000
General Fund -- Private/Local Appropriation	\$132,000
Archives and Records Management Account -- State Appropriation	(\$8,337,000)
	<u>\$8,442,000</u>
Department of Personnel Service Account -- State Appropriation	\$760,000
Local Government Archives Account -- State Appropriation	\$15,342,000
Election Account -- State Appropriation	<u>\$228,000</u>
Election Account -- Federal Appropriation	\$31,511,000
Charitable Organization Education Account--State Appropriation	\$122,000
TOTAL APPROPRIATION	(\$118,128,000)
	<u>\$118,884,000</u>

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

(1) \$13,290,000 of the general fund -- state appropriation for fiscal year 2008 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) \$2,556,000 of the general fund -- state appropriation for fiscal year 2008 and \$3,965,000 of the general fund -- state appropriation for fiscal year 2009 are provided solely for the verification of initiative and referendum petitions, maintenance of related voter registration records, and the publication and distribution of the voters and candidates pamphlet.

(3) \$125,000 of the general fund -- state appropriation for fiscal year 2008 and \$118,000 of the general fund -- state appropriation for fiscal year 2009 are provided solely for legal advertising of state measures under RCW 29A.52.330.

(4)(a) \$2,465,000 of the general fund -- state appropriation for fiscal year 2008 and \$2,501,000 of the general fund -- state appropriation for fiscal year 2009 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 2007-09 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.

(5) \$45,000 of the general fund--state appropriation for fiscal year 2008 and \$45,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for humanities Washington's "we the people" community conversations program.

(6) \$575,000 of the general fund--state appropriation for fiscal year 2008 is provided solely for settlement costs and attorney fees resulting from the resolution of *Washington Association of Churches, et al. v. Reed*, United States District Court Western District of Washington at Seattle, Case No. CV06-0726RSM.

Sec. 1005 2009 c 4 s 124 (uncodified) is amended to read as follows:

FOR THE ATTORNEY GENERAL

General Fund -- State Appropriation (FY 2008)	\$6,262,000
General Fund -- State Appropriation (FY 2009)	\$5,541,000
General Fund -- Federal Appropriation	\$3,960,000
Public Safety and Education Account -- State Appropriation (FY 2008)	\$1,143,000
Public Safety and Education Account -- State Appropriation (FY 2009)	\$1,228,000
New Motor Vehicle Arbitration Account -- State Appropriation	\$1,312,000
Legal Services Revolving Account -- State Appropriation	(\$229,579,000)
	<u>\$231,391,000</u>
Tobacco Prevention and Control Account -- State Appropriation	\$270,000
TOTAL APPROPRIATION	(\$249,295,000)
	<u>\$251,107,000</u>

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

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

(2) Prior to entering into any negotiated settlement of a claim against the state that exceeds five million dollars, the attorney general shall notify the director of financial management and

the chairs of the senate committee on ways and means and the house of representatives committee on appropriations.

(3) \$9,446,000 of the legal services revolving account--state appropriation is provided solely for increases in salaries and benefits of assistant attorneys general effective July 1, 2007. This funding is provided solely for increases to address critical recruitment and retention problems, and shall not be used for the performance management program or to fund general administration. The attorney general shall report to the office of financial management and the fiscal committees of the senate and house of representatives by October 1, 2008, and provide detailed demographic information regarding assistant attorneys general who received increased salaries and benefits as a result of the appropriation. The report shall include at a minimum information regarding the years of service, division assignment within the attorney general's office, and client agencies represented by assistant attorneys general receiving increased salaries and benefits as a result of the amount provided in this subsection. The report shall include a proposed salary schedule for all assistant attorneys general using the same factors used to determine increased salaries under this section. The report shall also provide initial findings regarding the effect of the increases on recruitment and retention of assistant attorneys general.

(4) \$69,000 of the legal services revolving fund--state appropriation is provided solely for Engrossed Substitute Senate Bill No. 6001 (climate change). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(5) \$44,000 of the legal services revolving fund--state appropriation is provided solely for Substitute Senate Bill No. 5972 (surface mining reclamation). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(6) \$110,000 of the legal services revolving account--state appropriation is provided solely for implementation of Second Substitute House Bill No. 3274 (port district contracting). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(7) \$346,000 of the legal services revolving account--state appropriation is provided solely for implementation of sections 2 and 3 of Engrossed Second Substitute House Bill No. 3205 (child long-term well-being). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(8) \$492,000 of the legal services revolving account--state appropriation is provided solely for implementation of Second Substitute Senate Bill No. 6732 (construction industry). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(9) The agency shall submit a staffing model that supports the need for increased resources due to casework associated with the sexually violent predator population to the office of financial management and the fiscal committees of the legislature by October 31, 2008.

(10) The attorney general shall deposit to the health services account at least \$680,000 from the *cy pres* monetary portion of the consent decree in settlement of the consumer protection act litigation against Caremark Rx, LLC (King county superior court cause no. 08-2-06098-5). These moneys shall be expended pursuant to legislative appropriation consistent with the terms of the consent decree.

Sec. 1006 2009 c 4 s 128 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT

General Fund -- State Appropriation (FY 2008) \$24,110,000

General Fund -- State Appropriation (FY 2009) ((~~\$33,485,000~~))

\$33,835,000

General Fund -- Federal Appropriation	\$23,934,000
General Fund -- Private/Local Appropriation	\$1,269,000
State Auditing Services Revolving Account -- State Appropriation	\$25,000
Violence Reduction and Drug Enforcement Account -- State Appropriation (FY 2008)	\$123,000
Economic Development Strategic Reserve Account-- State Appropriation	\$175,000
TOTAL APPROPRIATION	(\$83,121,000)
	<u>\$83,471,000</u>

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

- (1) \$33,000 of the general fund--state appropriation for fiscal year 2008 and \$58,000 of the general fund--state appropriation for fiscal year 2009 are provided for a contract with the Ruckelshaus center to continue the agricultural pilot programs that identify projects to enhance farm income and improve natural resource protection. Specific work will include project outreach and refinement, stakeholder support, staffing the oversight committee, seeking federal and private match funding, and further refining the list of projects to be recommended for funding.
- (2) \$155,000 of the general fund--state appropriation for fiscal year 2008 and \$254,000 of the general fund--state appropriation for fiscal year 2009 are provided for a contract with the Ruckelshaus center to fund "proof-of-concept" model and projects recommended by the oversight committee, as provided in subsection (1) of this section.
- (3) \$580,000 of the general fund--state appropriation for fiscal year 2008 and \$505,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to the association of Washington cities and the Washington state association of counties for improving project permitting and mitigation processes.
- (4) \$320,000 of the general fund--state appropriation for fiscal year 2008 and \$270,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the office of regulatory assistance to develop statewide multiagency permits for transportation infrastructure and other projects that integrate local, state, and federal permit requirements and mitigation standards.
- (5) \$1,050,000 of the general fund--state appropriation for fiscal year 2008 and \$1,050,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to implement Second Substitute Senate Bill No. 5122 (regulatory assistance programs). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.
- (6) \$190,000 of the general fund--state appropriation for fiscal year 2008 and \$90,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to implement chapter 139, Laws of 2007 (student transportation funding) which requires development of two options for a new K-12 pupil transportation funding formula.
- (7) \$175,000 of the general fund--state appropriation for fiscal year 2008 is provided solely for financial assistance to local government agencies in counties representing populations of fewer than 350,000 residents for the acquisition and development of streamlined permitting technology infrastructure through an integrated business portal approach. Grant awards may not exceed \$100,000 per local government agency per fiscal year. The funding must be used to acquire and implement permit tracking systems that can support and are compatible with a

multijurisdictional, integrated approach. Prior to granting funds, the office of regulatory assistance shall ensure that the proposed systems and technology are based on open-industry standards, allow for future integration of processes and sharing of data, and are extendable.

(8) \$474,000 of the general fund--state appropriation for fiscal year 2008 and \$331,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the implementation of sections 50 through 57 (health resources strategy) of Engrossed Second Substitute Senate Bill No. 5930 (blue ribbon commission on health care). If the bill is not enacted by June 2007, the amounts provided in this subsection shall lapse.

(9) \$300,000 of the general fund--state appropriation for fiscal year 2008 is provided solely to implement section 3 of Substitute Senate Bill No. 5248 (preserving the viability of agricultural lands). Funds are provided for a contract with the Ruckelshaus center to examine conflicts between agriculture activities and critical areas ordinances. If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(10) The education data center within the office of financial management may convene a work group to assess the feasibility, costs, and benefits of a higher education data system that uses privacy-protected student-level data.

(11) \$250,000 of the general fund--state appropriation for fiscal year 2008 is provided solely for the office of financial management to establish and provide staff support for the Washington citizens' work group on health care reform, pursuant to Engrossed Substitute Senate Bill No. 6333.

(12) \$11,372,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for the development and implementation of the Washington assessment of student learning (WASL) and related activities and is in addition to the funding amounts provided in section 511 of this act. The funding provided in this subsection is subject to the following conditions and limitations: The office of financial management shall develop an interagency agreement with the office of the superintendent of public instruction for the expenditure of these funds based on a quarterly allotment schedule. Before releasing funds to the office of the superintendent of public instruction each quarter, the office of financial management shall ensure compliance with this subsection. Effective with the 2009 administration of the Washington assessment of student learning, while maintaining the reliability and validity of the assessment, the office of the superintendent of public instruction shall redesign the assessment in the content areas of reading, mathematics, and science in all grades except high school by shortening test administration, reducing the number of short answer and extended response questions, and potentially decreasing the number of items utilized in the assessment, particularly in grades tested under the requirements of the federal no child left behind act. In selecting and developing the new contractual obligations for the assessment contractor beginning in fiscal year 2009, the office of the superintendent of public instruction shall preserve legislative authority to set the student learning assessment policy and potentially make minor or significant changes to that policy in the future with the least amount of adverse fiscal and other impacts to the state as possible. In doing this, the office of the superintendent of public instruction shall advise and consult with the appropriate policy and fiscal committees of the legislature and the Washington assessment of student learning work group created in this subsection. Within the amounts appropriated in this subsection, a legislative work group on the Washington assessment of student learning is established. The work group will consist of a maximum of nine members. Legislative members shall be appointed by the president of the senate and the speaker of the house of representatives and shall represent the two largest caucuses of both the senate and the house of representatives.

The purpose of this work group is to review and evaluate the current assessment system by January 1, 2009, and potentially make recommendations to improve it. Of the amount provided in this section, \$150,000 is provided solely for costs associated with hiring independent technical experts to advise the Washington assessment of student learning work group created in this subsection.

(13) Through prior legislation, many state activities that protect the general public by safeguarding health, safety, employees, and consumers are supported by fees assessed on items such as licensing, registration, certification, and inspections. Moreover, higher education, workforce training, and a number of other government services are supported at least in part by fees assessed on those who participate in these programs. Therefore, the office of financial management shall conduct a review and analysis of all fees for which the legislature has delegated to state agencies and institutions of higher education the ability to establish and determine the amount, either upon initial establishment or subsequent increases. Fees, as used in this subsection, has the same meaning as used in RCW 43.135.055. The objective of the review and analysis is to document the level of fees paid over the past five years, the cost of those programs over that same time period, and, to the extent available, the effectiveness of the activity in meeting its performance targets. The review and analysis shall include the following information:

- (a) Information about the program, including the statutory authority for the program, date enacted, and the parties that benefit from the program; and
- (b) Information about the program fees, including name and description of the fees, the parties that bear the cost of the fees, the methodology for determining the fees, and whether the fees directly fund the program; and
- (c) Financial related information, including an assessment of the program's fee amount assessed over the past five years, the scope of the program and related costs over the past 5 years, and whether the program's expenditures are subject to appropriation or allotment procedures under chapter 43.88 RCW; and
- (d) To the extent available, information on the program activities and related performance measures that may assist in assessing the effectiveness of the program in achieving its goals.

The office of financial management shall report its findings to the governor and the fiscal committees of the legislature by October 1, 2008.

(14) In addition to other reductions, the reduced appropriations in this section reflect an additional \$305,000 reduction in administrative costs required by Engrossed Substitute Senate Bill No. 5460 (reducing 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.

Sec. 1007 2009 c 4 s 129 (uncodified) is amended to read as follows:

FOR THE OFFICE OF ADMINISTRATIVE HEARINGS

Administrative Hearings Revolving Account -- State

Appropriation (~~(\$32,702,000)~~)

\$32,163,000

Sec. 1008 2009 c 4 s 135 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF REVENUE

General Fund -- State Appropriation (FY 2008) \$98,150,000

General Fund -- State Appropriation (FY 2009)	(\$103,003,000))
<u>\$97,782,000</u>	
Timber Tax Distribution Account -- State	
Appropriation	\$5,788,000
Waste Reduction/Recycling/Litter Control -- State	
Appropriation	\$128,000
Waste Tire Removal Account -- State Appropriation	\$2,000
Real Estate Excise Tax Grant Account -- State	
Appropriation	\$3,000,000
State Toxics Control Account -- State Appropriation	\$87,000
Oil Spill Prevention Account -- State Appropriation	\$16,000
Pension Funding Stabilization Account	
Appropriation	\$2,370,000
TOTAL APPROPRIATION	(\$212,544,000))
<u>\$207,323,000</u>	

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

(1) \$95,000 of the general fund--state appropriation for fiscal year 2008 and \$71,000 of the general fund--state appropriation for fiscal year 2009 are for the implementation of Substitute House Bill No. 1002 (taxation of vessels). If the bill is not enacted by June 30, 2007, the amounts in this subsection shall lapse.

(2) \$31,000 of the general fund--state appropriation for fiscal year 2008 is for the implementation of Substitute House Bill No. 1891 (prescription drugs). If the bill is not enacted by June 30, 2007, the amount in this subsection shall lapse.

(3)(a) \$50,000 of the general fund--state appropriation for fiscal year 2008 and \$25,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to conduct a study of the taxation of electronically delivered products. The legislature recognizes that chapter . . . (Engrossed Substitute House Bill No. 1981), Laws of 2007, relates to specific types of electronically delivered products and does not address the taxation of numerous other types of electronically delivered products. Therefore, a policy question remains concerning the sales and use taxation of other electronically delivered products.

(b)(i) To perform the study, the department of revenue shall be assisted by a committee. The committee shall include four legislative members appointed as follows:

(A) The president of the senate shall appoint one member from each of the two largest caucuses of the senate; and

(B) The speaker of the house of representatives shall appoint one member from each of the two largest caucuses of the house of representatives.

(ii) The department of revenue shall appoint additional members with balanced representation from different segments of government and industry, and shall consider representation from the following areas: Small and large businesses that generate, deliver, or use electronically delivered products; financial institutions; insurers; persons with expertise in tax law in an academic or private sector setting; and persons experienced in working with computers and electronically delivered products. The department of revenue shall appoint additional members from the department with expertise in the excise taxation of electronically delivered products.

(iii) The committee shall choose its chair from among its membership.

(iv) The department and committee shall review the following issues: The provision of

explicit statutory definitions for electronically delivered products; the current excise tax treatment of electronically delivered products in the state of Washington and other states as well as the tax treatment of these products under the streamlined sales and use tax agreement; the administration, costs, and potential recipients of the tax exemptions provided in chapter . . . (Engrossed Substitute House Bill No. 1981), Laws of 2007; and alternatives to the excise taxation of electronically delivered products.

(v) Legislative members of the committee are reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members of the committee, 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.

(c) The department shall report its preliminary findings and recommendations to the appropriate fiscal committees of the legislature by November 30, 2007. The department shall provide the final report of its findings and recommendations to the appropriate fiscal committees of the legislature by September 1, 2008.

(4) \$250,000 of the general fund--state appropriation for fiscal year 2009 is for the implementation of Engrossed Substitute Senate Bill No. 6809 (working families tax exemption). If the bill is not enacted by June 30, 2008, the amounts in this subsection shall lapse. This subsection does not constitute approval of the exemption under section 2, chapter . . . (ESSB 6809), Laws of 2008 or authorize payments of remittances.

(5) \$22,000 of the general fund--state appropriation for fiscal year 2009 is for the implementation of Second Substitute House Bill No. 3104 (domestic partnerships). If the bill is not enacted by June 30, 2008, the amounts in this subsection shall lapse.

(6) In addition to other reductions, the reduced appropriations in this section reflect an additional \$214,000 reduction in administrative costs required by Engrossed Substitute Senate Bill No. 5460 (reducing 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.

Sec. 1009 2009 c 4 s 140 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

General Fund -- State Appropriation (FY 2008)	\$591,000
General Fund -- State Appropriation (FY 2009)	(\$557,000)
	<u>\$783,000</u>
General Fund -- Federal Appropriation	\$3,651,000
General Administration Service Account -- State	
Appropriation	\$36,893,000
TOTAL APPROPRIATION	(\$41,692,000)
	<u>\$41,918,000</u>

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

- (1) \$100,000 of the general fund--state appropriation for fiscal year 2008 and \$100,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the temporary emergency food assistance program.
- (2) Within the appropriations in this section, specific funding is provided to implement Second Substitute House Bill No. 1332 (affordable housing).
- (3) \$391,000 of the general administration services account--state appropriation for fiscal year

2009 is provided solely for implementation of costs associated with the planning of agency moves out of the general administration building.

(4) The department shall work with the office of financial management to develop a plan that balances revenues and expenditures for each line of business within the general administration services account. State agency rates developed for the 2009-2011 biennium must equitably and reasonably reflect the actual cost of services provided to state agencies including the appropriate allocation of agency overhead costs. By August 31, 2008, the department shall submit to the office of financial management and the fiscal committees of the legislature financial statements for each line of business that shall inform the basis for agency rate development for the forthcoming biennium.

(5) The department shall submit a report to the office of financial management and the fiscal committees of the legislature that responds to each of the state auditor's motor pool audit recommendations by August 31, 2008. This report shall consist of recommendations that have been adopted by the department, progress made towards achieving those recommendations not yet completed, and justification for why the department is unable to fulfill any of the recommendations in the report.

Sec. 1010 2009 c 4 s 143 (uncodified) is amended to read as follows:

FOR THE BOARD OF ACCOUNTANCY

Certified Public Accountants' Account -- State

Appropriation ((~~\$2,574,000~~))

\$2,924,000

Sec. 1011 2009 c 4 s 145 (uncodified) is amended to read as follows:

FOR THE LIQUOR CONTROL BOARD

General Fund -- State Appropriation (FY 2008) \$1,910,000

Liquor Control Board Construction and Maintenance

Account -- State Appropriation \$13,430,000

Liquor Revolving Account -- State Appropriation ((~~\$194,556,000~~))

\$196,556,000

TOTAL APPROPRIATION ((~~\$209,896,000~~))

\$211,896,000

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

(1) \$91,000 of the liquor revolving account--state appropriation is provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5859 (retail liquor licenses). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(2) \$2,070,000 of the liquor revolving account--state appropriation is provided solely for the liquor control board to operate an additional 29 state stores on Sundays by September 1, 2007. The board shall determine the impacts on sales as a result of operating the additional stores on Sunday. In doing so, the liquor control board shall also examine the sales of state and contract liquor stores in proximity to those stores opened on Sundays to determine whether Sunday openings have reduced the sales of other state and contract liquor stores that are not open on Sundays. The board shall present this information to the appropriate policy and fiscal committees of the legislature by January 31, 2009.

Sec. 1012 2009 c 4 s 148 (uncodified) is amended to read as follows:

FOR THE MILITARY DEPARTMENT

General Fund -- State Appropriation (FY 2008)	\$12,430,000
General Fund -- State Appropriation (FY 2009)	(\$11,353,000)
	<u>\$11,526,000</u>
General Fund -- Federal Appropriation	\$129,334,000
General Fund -- Private/Local Appropriation	\$2,000
Enhanced 911 Account -- State Appropriation	\$42,293,000
Disaster Response Account -- State Appropriation	(\$24,454,000)
	<u>\$27,820,000</u>
Disaster Response Account -- Federal Appropriation	(\$86,757,000)
	<u>\$98,441,000</u>
Military Department Rent and Lease Account -- State Appropriation	\$814,000
Worker and Community Right-to-Know Account -- State Appropriation	\$337,000
Nisqually Earthquake Account -- State Appropriation	(\$556,000)
	<u>\$215,000</u>
Nisqually Earthquake Account -- Federal Appropriation	(\$1,269,000)
	<u>\$1,382,000</u>
TOTAL APPROPRIATION	(\$309,599,000)
	<u>\$324,594,000</u>

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

(1) ~~(\$24,454,000)~~ \$27,820,000 of the disaster response account -- state appropriation and ~~(\$86,757,000)~~ \$98,441,000 of the disaster response account -- federal appropriation may be spent only on disasters declared by the governor and with the approval of the office of financial management. The military department shall submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on the disaster response account, including: (a) The amount and type of deposits into the account; (b) the current available fund balance as of the reporting date; and (c) the projected fund balance at the end of the 2007-2009 biennium based on current revenue and expenditure patterns.

(2) ~~(\$556,000)~~ \$215,000 of the Nisqually earthquake account -- state appropriation and ~~(\$1,269,000)~~ \$1,382,000 of the Nisqually earthquake account -- federal appropriation are provided solely for response and recovery costs associated with the February 28, 2001, earthquake. The military department shall submit a report quarterly to the office of financial management and the legislative fiscal committees detailing earthquake recovery costs, including: (a) Estimates of total costs; (b) incremental changes from the previous estimate; (c) actual expenditures; (d) estimates of total remaining costs to be paid; and (e) estimates of future payments by biennium. This information shall be displayed by fund, by type of assistance, and by amount paid on behalf of state agencies or local organizations. The military department shall also submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on the Nisqually earthquake account, including: (a) The amount and type of deposits into the account; (b) the current available fund balance as of the reporting date; and (c) the projected fund balance at the end of the 2007-2009 biennium based on current revenue and expenditure patterns.

(3) \$61,000,000 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;

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

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

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

(4) Within the funds appropriated in this section, the department shall implement Substitute House Bill No. 1507 (uniformed service shared leave).

(5) \$1,000,000 of the general fund--state appropriation for fiscal year 2008 and \$1,000,000 of the general fund--state appropriation for fiscal year 2009 are 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 shall not take any of the funds for administrative purposes.

(6) \$200,000 of the enhanced 911 account--state appropriation is provided solely for the department to recommend an appropriate funding mechanism for the implementation of next generation 911. The department shall consult with the utilities and transportation commission, the department of revenue, local governments, and representatives from companies providing telecommunications services in order to complete the report required under this subsection. The department may also consult with other public safety and medical associations in order to complete the study. The department shall submit the report to the finance committee and the technology, energy, and communications committee of the house of representatives, and the ways and means committee and the water, energy, and telecommunications committee of the senate, by December 1, 2008.

Sec. 1013 2009 c 4 s 151 (uncodified) is amended to read as follows:

FOR THE GROWTH MANAGEMENT HEARINGS BOARD

General Fund -- State Appropriation (FY 2008)	\$1,893,000
General Fund -- State Appropriation (FY 2009)	(\$1,878,000)
<u>\$1,924,000</u>	
TOTAL APPROPRIATION	(\$3,771,000)
<u>\$3,817,000</u>	

Sec. 1014 2008 c 329 s 151 (uncodified) is amended to read as follows:

FOR THE STATE CONVENTION AND TRADE CENTER

State Convention and Trade Center Account--State Appropriation	(\$44,773,000)
<u>\$39,769,000</u>	

State Convention and Trade Center Operating
 Account--State Appropriation \$53,750,000
 TOTAL APPROPRIATION (~~(\$98,523,000)~~)
\$93,519,000

(End of part)

**PART XI
 HUMAN SERVICES**

Sec. 1101 2008 c 329 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 2007-2009 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, ((2008)) 2009, unless specifically prohibited by this act, the department may transfer general fund--state appropriations for fiscal year ((2008)) 2009 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 ((2008)) 2009 caseload forecasts and utilization assumptions in the medical assistance, long-term care, foster care, adoption support, and child support programs, the department may transfer state moneys that are provided solely for a specified purpose. 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.

Sec. 1102 2009 c 4 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 2008)	\$316,353,000
General Fund -- State Appropriation (FY 2009)	((\$338,838,000))
	<u>\$340,780,000</u>
General Fund -- Federal Appropriation	((\$490,314,000))
	<u>\$500,718,000</u>
General Fund -- Private/Local Appropriation	\$2,187,000
Domestic Violence Prevention Account--State Appropriation	\$1,000,000
Public Safety and Education Account--State Appropriation (FY 2008)	\$3,251,000
Public Safety and Education Account--State Appropriation (FY 2009)	\$3,254,000
Violence Reduction and Drug Enforcement Account -- State Appropriation (FY 2008)	\$2,934,000
Violence Reduction and Drug Enforcement Account -- State Appropriation (FY 2009)	\$2,934,000
Pension Funding Stabilization Account--State Appropriation	\$2,298,000
TOTAL APPROPRIATION	((\$1,163,363,000))
	<u>\$1,175,709,000</u>

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

(1) \$3,063,000 of the general fund--state appropriation for fiscal year 2008 and \$2,993,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the category of services titled "intensive family preservation services."

(2) \$945,000 of the general fund--state appropriation for fiscal year 2008 and \$993,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to contract for the operation of one pediatric interim care facility. The facility shall provide residential care for up to seventeen children through two years of age. Seventy-five percent of the children served by the facility must be in need of special care as a result of substance abuse by their mothers. The facility shall also provide on-site training to biological, adoptive, or foster parents. The facility shall provide at least three months of consultation and support to parents accepting placement of children from the facility. The facility may recruit new and current foster and adoptive parents for infants served by the facility. The department shall not require case management as a condition of the contract.

(3) \$375,000 of the general fund--state appropriation for fiscal year 2008, \$375,000 of the general fund--state appropriation for fiscal year 2009, and \$322,000 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.

(4) \$125,000 of the general fund--state appropriation for fiscal year 2008 and \$125,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for a foster parent retention program. This program is directed at foster parents caring for children who act out sexually.

(5) The providers for the 31 HOPE beds shall be paid a \$1,020 base payment per bed per month, and reimbursed for the remainder of the bed cost only when the beds are occupied.

(6) 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.

(7) Within amounts appropriated in this section, priority shall be given to proven intervention models, including evidence-based prevention and early intervention programs identified by the Washington 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.

(8) \$500,000 of the general fund--state appropriation for fiscal year 2008, \$500,000 of the general fund--state appropriation for fiscal year 2009, and \$429,000 of the general fund--federal appropriation are provided solely to increase services provided through children's advocacy centers.

(9) \$50,000 of the general fund--state appropriation for fiscal year 2008 and \$50,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for a street youth program in Spokane.

(10) \$41,000 of the general fund--state appropriation for fiscal year 2008, \$37,000 of the

general fund--state appropriation for fiscal year 2009, and \$34,000 of the general fund--federal appropriation are provided solely for the implementation of Substitute House Bill No. 1472 (child welfare).

(11) \$858,000 of the general fund--state appropriation for fiscal year 2008, \$809,000 of the general fund--state appropriation for fiscal year 2009, and \$715,000 of the general fund--federal appropriation are provided solely to implement Engrossed Substitute Senate Bill No. 5774 (background checks), including sections 6 and 7. If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(12) \$4,962,000 of the general fund--state appropriation for fiscal year 2008, \$4,586,000 of the general fund--state appropriation for fiscal year 2009, and \$9,548,000 of the general fund--federal appropriation are provided solely for development and implementation of a statewide automated child welfare information system.

(13) \$126,000 of the general fund--state appropriation for fiscal year 2009 and \$55,000 of the general fund--federal appropriation are provided solely to implement Substitute Senate Bill No. 5321 (child welfare). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(14) \$707,000 of the general fund--state appropriation for fiscal year 2008, \$680,000 of the general fund--state appropriation for fiscal year 2009, and \$594,000 of the general fund--federal appropriation are provided solely for the implementation of Second Substitute House Bill No. 1334 (child welfare proceedings). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(15) \$2,237,000 of the general fund--state appropriation for fiscal year 2008, \$2,238,000 of the general fund--state appropriation for fiscal year 2009, and \$1,918,000 of the general fund--federal appropriation are provided solely for the implementation of Substitute House Bill No. 1333 (child welfare). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(16) \$137,000 of the general fund--state appropriation for fiscal year 2008, \$137,000 of the general fund--state appropriation for fiscal year 2009, and \$118,000 of the general fund--federal appropriation are provided solely for implementation of Substitute House Bill No. 1287 (foster children). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(17) \$50,000 of the general fund--state appropriation for fiscal year 2008 is provided solely for the department to contract with the Washington state institute for public policy to study evidence-based, cost-effective programs and policies to reduce the likelihood of children entering and remaining in the child welfare system, including both prevention and intervention programs. If the department does not receive \$100,000 in matching funds from a private organization for the purpose of conducting this study, the amount provided in this subsection shall lapse. The study shall be completed by April 30, 2008. The department shall cooperate with the institute in facilitating access to data in their administrative systems. The board of the Washington state institute for public policy may adjust the due date for this project as necessary to efficiently manage workload.

(18) \$103,000 of the general fund--state appropriation for fiscal year 2008, \$407,000 of the general fund--state appropriation for fiscal year 2009, and \$48,000 of the general fund--federal appropriation are provided solely for implementation of Engrossed Substitute House Bill No. 1131 (passport to college). This includes funding to develop, implement, and administer a program of educational transition planning for youth in foster care as specified in the bill. If the

bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(19) The department shall continue spending levels for continuum of care in region one at the same level allotted during the 2005-2007 biennium.

(20) Within the amounts provided, the department shall develop and implement a two-tiered reimbursement rate schedule for children from birth through twenty-four months of age and children twenty-five months of age through age five served by the medicaid treatment child care program. The department shall work in collaboration with contracted providers of the program to develop the rate schedule, taking into consideration such factors as higher staff level and small group size requirements for each age group. The department shall implement the rate schedule no later than January 1, 2008, and neither reimbursement rate in the two-tiered schedule shall be lower than the reimbursement rate level from the 2007 fiscal year.

(21) \$60,000 of the general fund--state appropriation for fiscal year 2008, \$20,000 of the general fund--state appropriation for fiscal year 2009, and \$35,000 of the general fund--federal appropriation are provided solely for implementation of Engrossed Substitute House Bill No. 1624 (child welfare). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(22) \$49,000 of the general fund--state appropriation for fiscal year 2008, \$24,000 of the general fund--state appropriation for fiscal year 2009, and \$35,000 of the general fund--federal appropriation are provided solely for the implementation of chapter 384, Laws of 2007.

(23) The department shall work with the exclusive bargaining representative for the children's administration social workers to prioritize social worker tasks and devise methods by which to alleviate from the social workers' workload lower priority tasks. Discussions on methods shall include the use of contracting services and home support specialists. The department and the bargaining representative shall jointly report their efforts to the appropriate committees of the legislature by submitting a progress report no later than July 1, 2008, and a final report by November 15, 2008.

(24) \$10,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for the department to contract with the largest nonprofit organization in the state conducting education and outreach on RCW 13.34.360, the safety of newborn children law.

(25) \$616,000 of the general fund--state appropriation for fiscal year 2009 and \$184,000 of the general fund--federal appropriation are provided solely to contract with medical professionals for comprehensive safety assessments of high-risk families. The safety assessments will use validated assessment tools to guide intervention decisions through the identification of additional safety and risk factors. \$400,000 of this amount is for comprehensive safety assessments for families receiving in-home child protective services or family voluntary services. \$400,000 of this amount is for comprehensive safety assessments of 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.

(26) \$42,000 of the general fund--state appropriation for fiscal year 2009 and \$29,000 of the general fund--federal appropriation are provided solely for the department to implement Second Substitute Senate Bill No. 6206 (child fatality). If the bill is not enacted by June 30, 2008, the amounts provided in this subsection shall lapse.

(27) \$857,000 of the general fund--state appropriation for fiscal year 2009 and \$140,000 of the general fund--federal appropriation are provided solely for implementation of Engrossed Second Substitute House Bill No. 3145 (foster parent licensing). If the bill is not enacted by June 30, 2008, the amounts provided in this subsection shall lapse.

(28) \$415,000 of the general fund--state appropriation for fiscal year 2008, \$469,000 of the general fund--state appropriation for fiscal year 2009, and \$264,000 of the general fund--federal appropriation are provided solely for the hiring of staff to expedite the phase-in of the state's policy of a private and individual face-to-face visit each month with children in out-of-home care and in-home dependencies and their caregivers.

(29) \$109,000 of the general fund--state appropriation for fiscal year 2009 and \$35,000 of the general fund--federal appropriation are provided solely to implement sections 2 and 3 of Engrossed Second Substitute House Bill No. 3205 (child long-term well-being). If the bill is not enacted by June 30, 2008, the amounts provided in this subsection shall lapse.

(30) The appropriations in this section provide specific funds to implement Engrossed Substitute Senate Bill No. 6792 (dependency matters).

(31) \$812,000 of the general fund--state appropriation for fiscal year 2009 and \$256,000 of the general fund--federal appropriation are provided solely for the department to hire additional staff to perform child health education and tracking screens.

(32) \$1,829,000 of the general fund--state appropriation for fiscal year 2009 and \$578,000 of the general fund--federal appropriation are provided solely for the department to contract with (~~nonprofit~~) organizations to facilitate twice-monthly visits between siblings living apart from each other in out-of-home care.

(33) The department shall not close any secure crisis residential center facilities. The total number of statewide secure crisis residential center beds is reduced from 63 to 44.

Sec. 1103 2009 c 4 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 2008)	\$87,822,000
General Fund -- State Appropriation (FY 2009)	(\$84,716,000)
	<u>\$82,553,000</u>
General Fund -- Federal Appropriation	(\$5,662,000)
	<u>\$5,870,000</u>
General Fund -- Private/Local Appropriation	\$1,898,000
Reinvesting in Youth--State Appropriation	\$1,414,000
Washington Auto Theft Prevention Authority Account--	
State Appropriation	\$171,000
Violence Reduction and Drug Enforcement Account -- State	
Appropriation (FY 2008)	\$21,975,000
Violence Reduction and Drug Enforcement Account -- State	
Appropriation (FY 2009)	\$22,078,000
Juvenile Accountability Incentive Account -- Federal	
Appropriation	\$2,510,000
Pension Funding Stabilization Account--State	
Appropriation	\$2,200,000
	TOTAL APPROPRIATION (\$230,446,000)
	<u>\$228,491,000</u>

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

- (1) \$353,000 of the violence reduction and drug enforcement account appropriation for fiscal

year 2008 and \$353,000 of the violence reduction and drug enforcement account appropriation for fiscal year 2009 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) \$3,078,000 of the violence reduction and drug enforcement account appropriation and \$500,000 of the general fund--state appropriation for fiscal year 2008 and \$3,078,000 of the violence reduction and drug enforcement account appropriation and \$500,000 of the general fund--state appropriation for fiscal year 2009 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) \$1,030,000 of the general fund--state appropriation and \$2,686,000 of the violence reduction and drug enforcement account appropriation for fiscal year 2008 and \$1,030,000 of the general fund--state appropriation and \$2,686,000 of the violence reduction and drug enforcement account appropriation for fiscal year 2009 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) \$1,506,000 of the violence reduction and drug enforcement account appropriation for fiscal year 2008 and \$1,506,000 of the violence reduction and drug enforcement account appropriation for fiscal year 2009 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) \$2,669,000 of the general fund--state appropriation for fiscal year 2008 and \$2,947,000 of the general fund--state appropriation for fiscal year 2009 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 2008 and \$787,000 of the general fund--state appropriation for fiscal year 2009 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) The juvenile rehabilitation administration shall provide a block grant, rather than categorical funding, of consolidated juvenile services funds, community juvenile accountability act grants, the chemically dependent disposition alternative, and the special sex offender disposition to county juvenile courts, or groups of courts, including the Pierce county juvenile court. The juvenile rehabilitation administration and the family policy council shall jointly write criteria for awarding and administering block grants to county juvenile courts. In developing the criteria, the juvenile rehabilitation administration and the family policy council shall seek the advice of the Washington state institute for public policy. The criteria shall address, but not be limited to:

(a) The selection of courts for participation in the block grant;

(b) The types of evidence-based programs and practices to which the funds will be applied. The evidence-based programs and practices shall either be consistent with those cost-beneficial options 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," or be new approaches that have the potential to demonstrate positive returns for the taxpayer; and

(c) The protocols for participating courts to collect information on the effectiveness of programs funded under the block grant, including: (i) Developing intermediate client outcomes based on the risk assessment tool currently used by juvenile courts and in coordination with the juvenile rehabilitation administration; (ii) reporting treatment outcomes including a process evaluation to the juvenile rehabilitation administration and the family policy council by June 20, 2008, and an outcome evaluation of recidivism and benefit-cost results submitted within eighteen months of the initiation of the treatment, when follow-up data are available. The courts shall develop these evaluations in consultation with the juvenile rehabilitation administration, the family policy council, and the Washington state institute for public policy; and (iii) documenting the process for managing block grant funds on a quarterly basis and provide this report to the juvenile rehabilitation administration and the family policy council.

(8) \$73,000 of the Washington auto theft prevention authority account--state appropriation for fiscal year 2008 and \$98,000 of the Washington auto theft prevention authority account--state appropriation for fiscal year 2009 are provided solely for the implementation of Engrossed Third Substitute House Bill No. 1001 (auto theft). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

*Sec. 1104 2009 c 4 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 2008)	\$305,732,000
General Fund -- State Appropriation (FY 2009)	((\$308,382,000)
	<u>\$298,118,000</u>
General Fund -- Federal Appropriation	((\$396,996,000))
	<u>\$414,136,000</u>
General Fund -- Private/Local Appropriation	((\$16,157,000))

\$18,732,000

TOTAL APPROPRIATION ((\$1,027,267,000))

\$1,036,718,000

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

(a) \$103,989,000 of the general fund--state appropriation for fiscal year 2008 and \$122,119,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for persons and services not covered by the medicaid program. Reductions to fiscal year 2009 allocations shall be distributed proportionally to each regional support network's percentage 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) \$16,900,000 of the general fund--state appropriation for fiscal year 2008 and \$16,900,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the department and regional support networks to contract for development and initial implementation of high-intensity program for active community treatment (PACT) teams, and other proven program approaches that the department concurs will enable the regional support network to achieve significant reductions during fiscal year 2008 and thereafter in the number of beds the regional support network would otherwise need to use at the state hospitals.

(c) The number of nonforensic beds allocated for use by regional support networks at eastern state hospital shall be 222 per day throughout fiscal year 2008. Beginning January 1, 2009, 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 777 per day during the first and second quarters of fiscal year 2008, and 677 per day from January 2008 through August 2008. Beginning September 2008, the number of nonforensic beds allocated for use by regional support networks at western state hospital shall be 647 per day until May 2009, at which time the bed allocation shall be 617 beds per day. Beginning January 2008, beds in the program for adaptive living skills (PALS) are not included in the preceding bed allocations. Beginning that month, the department shall separately charge regional support networks for persons served in the PALS program.

(d) 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.

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

(f) \$5,000,000 of the general fund--state appropriation for fiscal year 2008 and \$5,000,000 of the general fund--state appropriation for fiscal year 2009 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. The department is authorized to transfer up to \$418,000 of these amounts each fiscal year to the economic services program for purposes of facilitating prompt access after their release from confinement to medical and income assistance services for which defendants and offenders may be eligible.

(g) \$1,500,000 of the general fund--state appropriation for fiscal year 2008 and \$1,091,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for grants for innovative mental health service delivery projects. Such projects may include, but are not limited to, clubhouse programs and projects for integrated health care and behavioral health services for general assistance recipients. These amounts shall supplement, and not supplant, local or other funding currently being used for activities funded under the projects authorized in this subsection. The department shall not terminate early any grant that was contracted under this subsection prior to January 1, 2009, for the use of funds during fiscal year 2009.

(h) The department is authorized to continue to expend federal block grant funds and special purpose federal grants through direct contracts, rather than through contracts with regional support networks, and to allocate such funds through such formulas as it shall adopt.

(i) 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.

(j) \$2,250,000 of the general fund--state appropriation for fiscal year 2008, \$2,250,000 of the general fund--state appropriation for fiscal year 2009, and \$4,500,000 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.

(k) \$750,000 of the general fund--state appropriation for fiscal year 2008 and \$750,000 of the general fund--state appropriation for fiscal year 2009 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.

(l) \$135,000 of the general fund--state appropriation for fiscal year 2008, \$2,961,000 of the general fund--state appropriation for fiscal year 2009, and \$1,289,000 of the general fund--private/local appropriation are provided solely to enable the department to contract with Pierce county human services for the provision of community mental health services to include crisis triage, evaluation and treatment, and mobile crisis services. The legislature intends this to be one-time funding while a replacement regional support network is being secured. The department is authorized to reserve \$402,000 general fund--state and \$201,000 general fund--local of these amounts for reasonable costs incurred by Pierce county for the provision of mental health crisis and related services that exceed reimbursement levels contracted by the department. In order to receive these funds, Pierce county must demonstrate to the department that the total cost of mental health services provided by the county in accordance with formal agreements has exceeded the revenues received from the department and third-party payers for these services. The department shall determine the documentation that is required.

(m) \$504,000 of the general fund--state appropriation for fiscal year 2008 and \$1,529,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to reimburse Pierce and Spokane counties for the cost of conducting 180-day commitment hearings at the state

psychiatric hospitals.

(n) \$750,000 of the general fund--state appropriation for fiscal year 2008 and \$1,500,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the Spokane regional support network to implement a comprehensive plan for reducing its utilization of eastern state hospital. Key elements of the plan, which shall be developed and implemented in consultation with and with the assistance of the department, may include but shall not be limited to development of additional crisis triage, crisis stabilization, and evaluation and treatment beds; provision of housing assistance for high-utilizers of hospital and jail services who are at risk of homelessness; implementation of an intensive outpatient treatment team for persons with co-occurring disorders and other special needs; and delivery of respite care to assist elderly individuals avoid or return home after hospitalization. Spokane regional support network shall receive a proportional share of the fiscal year 2009 nonmedicaid rate reduction out of its base funding distribution.

(o) The department shall return to the Spokane regional support network fifty percent of the amounts assessed against the network during fiscal year 2009 for state hospital utilization in excess of its contractual limit. The regional support network shall use these funds for start-up and 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.

(p) The department shall not reduce medicaid capitation rates below those in effect as of December 15, 2008.

(2) INSTITUTIONAL SERVICES

General Fund -- State Appropriation (FY 2008)	\$138,340,000
General Fund -- State Appropriation (FY 2009)	((<u>\$129,272,000</u>))
	<u>\$126,164,000</u>
General Fund -- Federal Appropriation	((<u>\$145,552,000</u>))
	<u>\$148,501,000</u>
General Fund -- Private/Local Appropriation	((<u>\$66,302,000</u>))
	<u>\$66,521,000</u>
Pension Funding Stabilization Account--State Appropriation	\$7,058,000
TOTAL APPROPRIATION	((<u>\$486,524,000</u>))
	<u>\$486,584,000</u>

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) \$45,000 of the general fund--state appropriation for fiscal year 2008 and \$45,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for payment to the city of Lakewood for police services provided by the city at western state hospital and adjacent areas.

(c) \$18,575,000 of the general fund--state appropriation for fiscal year 2008 and \$9,675,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to operate on a temporary basis five additional adult civil commitment wards at the state psychiatric hospitals. The legislature intends for these wards to close, on a phased basis, during the 2007-09 biennium as a result of targeted investments in community services for persons who would otherwise need

care in the hospitals.

(d) \$125,000 of the general fund--state appropriation for fiscal year 2008 and \$125,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for safety training and for protective equipment for staff at eastern and western state hospitals. Protective equipment shall include shields, helmets, gloves, and body protection.

(e) \$304,000 of the general fund--state appropriation for fiscal year 2008 and \$231,000 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)(e) 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.

(f) \$133,000 of the general fund--state appropriation for fiscal year 2008 and \$2,145,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to pilot a direct care nurse staffing plan for two high incident wards at eastern state hospital and four high incident wards at western state hospital. The pilot provides funding to fully staff registered nurses, licensed practical nurses, and mental health technicians in accordance with the state psychiatric hospitals direct care staffing review and recommendations. The department shall have the authority to fill the positions with any mix of these direct care nursing staff so long as a good faith effort is made to first hire and recruit positions in accordance with the direct care nurse staffing plan. The department shall monitor outcomes for improved patient and staff safety and provide a written report to the legislature by October 1, 2009.

(g) \$617,000 of the general fund--state appropriation for fiscal year 2008 and \$334,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to cover additional operating costs related to the October 11, 2007, laundry fire at western state hospital.

(3) SPECIAL PROJECTS

General Fund -- State Appropriation (FY 2008)	\$1,892,000
General Fund -- State Appropriation (FY 2009)	\$2,269,000
General Fund -- Federal Appropriation	\$3,276,000
TOTAL APPROPRIATION	\$7,437,000

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

(a) \$877,000 of the general fund--state appropriation for fiscal year 2008, \$1,189,000 of the general fund--state appropriation for fiscal year 2009, and \$140,000 of the general fund--federal appropriation are provided solely for implementation of sections 4, 7, 10, and other provisions of Second Substitute House Bill No. 1088 (children's mental health). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse. Funds are also appropriated in sections 207 and 209 of this act for implementation of 5, 8, and 11 of Second Substitute House Bill No. 1088.

(b) \$80,000 of the general fund--state appropriation for fiscal year 2009 and \$80,000 of the general fund--federal appropriation are provided solely as one-time funding to make available a mental health train the trainer first aid course consisting of twelve hours of instruction based upon a program created by the department of psychiatry, University of Melbourne in Australia. The course will provide training to members of the public related to: (i) Giving appropriate initial help and support to a person suffering from a mental disorder and responding to mental

health crisis situations; and (ii) depression, anxiety disorders, psychosis, and substance use disorder, including recognizing symptoms, possible causes or risk factors, and evidenced-based treatment options. Participants in the first aid course will train others to provide the training.

(4) PROGRAM SUPPORT

General Fund -- State Appropriation (FY 2008)	\$4,966,000
General Fund -- State Appropriation (FY 2009)	(\$4,500,000)
	<u>\$4,477,000</u>
General Fund -- Federal Appropriation	(\$7,557,000)
	<u>\$7,580,000</u>
TOTAL APPROPRIATION	\$17,023,000

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

(a) \$125,000 of the general fund--state appropriation for fiscal year 2008, \$125,000 of the general fund--state appropriation for fiscal year 2009, and \$164,000 of the general fund--federal appropriation are provided solely for the institute for public policy to continue the longitudinal analysis directed in chapter 334, Laws of 2001 (mental health performance audit), 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.

(b) \$100,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for the department to contract with a facilitator to coordinate a review and make recommendations on:

- (i) Ward sizes at eastern and western state hospitals and patient case mix by ward;
- (ii) Discharge practices for state hospitals to include the child and study treatment center; and
- (iii) Community placements to include placements for adults and children.

By October 15, 2008, the department shall provide to the legislature recommendations for system improvement to include a cost/benefit analysis. The department shall include representation from regional support networks in the review and development of recommendations for discharge practices and community placements.

**Sec. 1104 was partially vetoed. See message at end of chapter.*

***Sec. 1105** 2009 c 4 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 2008)	\$348,327,000
<i>General Fund -- State Appropriation (FY 2009)</i>	(\$362,407,000)
	<u>\$343,503,000</u>
General Fund -- Federal Appropriation	(\$653,802,000)
	<u>\$693,402,000</u>
Health Services Account--State Appropriation (FY 2008)	\$452,000
Health Services Account--State Appropriation (FY 2009)	\$452,000
TOTAL APPROPRIATION	(\$1,365,440,000)
	<u>\$1,386,136,000</u>

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

(a) The entire health services account appropriation, \$615,000 of the general fund--state appropriation for fiscal year 2008, \$892,000 of the general fund--state appropriation for fiscal year 2009, and \$2,546,011 of the general fund--federal appropriation are provided solely for health care benefits for agency home care workers who are employed through state contracts for at least twenty hours a week. The state contribution to the cost of health care benefits per participating worker per month shall be no greater than \$532.00 in fiscal year 2008 and \$585.00 in fiscal year 2009.

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

(c) \$4,903,000 of the general fund--state appropriation for fiscal year 2008, \$9,295,000 of the general fund--state appropriation for fiscal year 2009, and \$15,016,000 of the general fund--federal appropriation are provided solely for community residential and support services. Funding in this subsection shall be prioritized for (i) residents of residential habilitation centers who are able to be adequately cared for in community settings and who choose to live in those community settings; (ii) clients without residential services who are at immediate risk of institutionalization or in crisis; (iii) children who are at risk of institutionalization or who are aging out of other state services; and (iv) current home and community-based waiver program clients who have been assessed as having an immediate need for increased services. First priority shall be given to children who are at risk of institutionalization. The department shall ensure that the average cost per day for all program services other than start-up costs shall not exceed \$300. In order to maximize the number of clients served and ensure the cost-effectiveness of the waiver programs, the department will strive to limit new client placement expenditures to 90 percent of the budgeted daily rate. If this can be accomplished, additional clients may be served with excess funds, provided the total projected carry-forward expenditures do not exceed the amounts estimated. The department shall electronically report to the appropriate committees of the legislature, within 45 days following each fiscal year quarter, the number of persons served with these additional community services, where they were residing, what kinds of services they were receiving prior to placement, and the actual expenditures for all community services to support these clients.

(d) \$2,399,000 of the general fund--state appropriation for fiscal year 2008, \$5,961,000 of the general fund--state appropriation for fiscal year 2009, and \$8,849,000 of the general fund--federal appropriation are provided solely for expanded community services for persons with developmental disabilities who also have community protection issues. Funding in this subsection shall be prioritized for (i) clients being diverted or discharged from the state psychiatric hospitals; (ii) clients participating in the dangerous mentally ill offender program; (iii) clients participating in the community protection program; and (iv) mental health crisis diversion outplacements. The department shall ensure that the average cost per day for all program services other than start-up costs shall not exceed \$349 in fiscal year 2008 and \$356 in fiscal year 2009. In order to maximize the number of clients served and ensure the cost-effectiveness of the waiver programs, the department will strive to limit new client placement expenditures to 90 percent of the budgeted daily rate. If this can be accomplished, additional clients may be served with excess funds if the total projected carry-forward expenditures do not exceed the amounts estimated. The department shall implement the four new waiver programs

such that decisions about enrollment levels and the amount, duration, and scope of services maintain expenditures within appropriations. The department shall electronically report to the appropriate committees of the legislature, within 45 days following each fiscal year quarter, the number of persons served with these additional community services, where they were residing, what kinds of services they were receiving prior to placement, and the actual expenditures for all community services to support these clients.

(e) \$13,198,000 of the general fund--state appropriation for fiscal year 2008, \$16,354,000 of the general fund--state appropriation for fiscal year 2009, and \$8,579,000 of the general fund--federal appropriation are provided solely for family support programs for individuals with developmental disabilities. Of the amounts provided in this subsection (e), \$696,000 of the general fund--state appropriation for fiscal year 2008 and \$3,852,000 of the general fund--state appropriation for fiscal year 2009 are for state-only services for individuals with developmental disabilities, as described in Second Substitute Senate Bill No. 5467 (developmental disabilities). By January 1, 2008, and by November 1, 2008, the department shall provide a status report to the appropriate policy and fiscal committees of the legislature on the individual and family services program for people with developmental disabilities, which shall include the following information: The number of applicants for funding; the total number of awards; the number and amount of both annual and one-time awards, broken down by household income levels; and the purpose of the awards.

(f) \$1,692,000 of the general fund--state appropriation for fiscal year 2008, \$3,645,000 of the general fund--state appropriation for fiscal year 2009, and \$2,397,000 of the general fund--federal appropriation are provided solely for employment and day services. Priority consideration for this new funding shall be young adults with developmental disabilities living with their family who need employment opportunities and assistance after high school graduation. Services shall be provided for both waiver and nonwaiver clients. The legislature finds that some waiver clients are not receiving employment services that are authorized under their waivers. Within the amounts appropriated in this section, waiver clients must receive services as authorized by their waiver, such as pathway to employment, while waiting for paid employment to be developed. The department shall work with the counties to establish a consistent proposed policy for minimum direct service hours for clients, minimum hours of support, time frames for seeking paid employment, and services provided under pathway to employment while paid employment is sought. The department shall report to the office of financial management and the appropriate committees of the legislature on this proposal by November 1, 2008, including estimated fiscal impacts and an option for making the policy budget neutral for the current level of clients served. In order to maximize the number of clients served, the department may serve additional nonwaiver clients with unspent funds for waiver clients, provided the total projected carry-forward expenditures do not exceed the amounts estimated.

(g) \$160,000 of the general fund--state appropriation for fiscal year 2008 and \$140,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the implementation of Second Substitute Senate Bill No. 5467 (developmental disabilities). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(h)(i) Amounts appropriated in this subsection are sufficient to increase provider payment rates by 6.0 percent for boarding homes, effective July 1, 2007, including those currently receiving exceptional care rates; and by 3.2 percent, effective July 1, 2007, for adult family homes, including those currently receiving exceptional care rates.

(ii) The department shall implement phase one of full implementation of a seventeen CARE level payment system for community residential providers. Amounts appropriated in this section are sufficient to increase adult family home provider payment rates on average, effective July 1, 2008, including those currently receiving exceptional care rates, and to adjust adult family home rates for the first phase of a seventeen CARE level payment system. Effective July 1, 2008, the provider payment rate allocation for boarding homes contracted as assisted living shall be the provider's June 30, 2008, payment rate allocation, and the provider payment rate for boarding homes contracted as ARCs and EARCs shall be adjusted to reflect phase one of a seventeen CARE level payment system. This will be in effect until such time as the rates are consistent between adult family homes and boarding homes for delivery of the same patient care levels.

(iii) Amounts provided in this section and in section 206 of this act are sufficient to assist adult family home providers with the cost of paying liability insurance.

(i) (~~(\$921,000)~~) \$494,000 of the general fund--state appropriation for fiscal year 2009 and (~~(\$963,000)~~) \$518,000 of the general fund--federal appropriation are provided solely for the development and implementation of a federal home and community-based care waiver to provide intensive behavior support services to up to one hundred children with developmental disabilities who have intense behaviors, and their families.

(i) To receive services under the waiver, the child must have a developmental disability and: (A) Meet an acuity measure, as determined by the department, indicating that the child is at high risk of needing an out-of-home placement; (B) be eligible for developmental disabilities services and a home and community-based care waiver program; (C) reside in his or her family home or temporarily in an out-of-home placement with a plan to return home; and (D) have family that demonstrates the willingness to participate in the services offered through the waiver, and is not subject to a pending child protective services referral.

(ii) The department shall authorize, contract for, and evaluate the provision of intensive in-home services that support the ability of the child to remain at home with their parents or relatives. Intensive behavior support services under the waiver shall be provided directly or by contract, and may include, but are not limited to: (A) Behavior consultation and management, therapies and respite care; (B) minor home or motor vehicle modifications and transportation; (C) specialized nutrition and clothing; (D) training of families and other individuals working with the child; and (E) inclusion in community activities.

(j) \$1,000,000 of the general fund--state appropriation for fiscal year 2008 is provided solely for the purpose of settling all claims in the *Washington Federation of State Employees, et. al v. State of Washington*, Thurston County Superior Court Cause No. 05-2-02422-4. The expenditure of this appropriation is contingent on the release of all claims in this case, and total settlement costs shall not exceed the appropriation in this subsection (j). If settlement is not executed by June 30, 2008, the appropriation in this subsection (j) shall lapse.

(k) Within the amounts appropriated in this section, the department shall review current infant-toddler early intervention services statewide and report to the office of financial management by November 1, 2008, and the appropriate committees of the legislature on a recommended consistent funding approach per child for the 2009-11 biennium, recognizing the new level of funding anticipated by school district participation. The recommendations must also include a budget neutral option for the current level of clients served.

(l) \$325,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for state-only employment services for young adults with developmental disabilities who need employment opportunities and assistance after high school graduation.

(m) 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, 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 program who are not transferred to a department HCBS waiver will continue to receive services.

~~(n) (Within the amounts appropriated in this subsection (1), the department shall define in-home personal care services to include a client's ability to manage their personal care worker as identified by characteristics in the functional assessment. Clients whose assessments demonstrate they are able to manage their own plan of care are not eligible for personal care through a home care agency. The department shall adopt rules to implement this section.~~

~~—(o) The department shall not reduce and shall continue to provide adult day health services.)~~

(o) 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).

(2) INSTITUTIONAL SERVICES

General Fund -- State Appropriation (FY 2008)	\$80,469,000
General Fund -- State Appropriation (FY 2009)	(\$69,825,000)
	<u>\$65,359,000</u>
General Fund -- Federal Appropriation	(\$179,338,000)
	<u>\$184,387,000</u>
General Fund -- Private/Local Appropriation	(\$21,629,000)
	<u>\$22,203,000</u>
Pension Funding Stabilization Account--State Appropriation	\$5,614,000
TOTAL APPROPRIATION	(\$356,875,000)
	<u>\$358,032,000</u>

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

(a) The developmental disabilities program is authorized to use funds appropriated in this section to purchase goods and supplies through direct contracting with vendors when the program determines it is cost-effective to do so.

(b) \$100,000 of the general fund--state appropriation for fiscal year 2008 and \$100,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for services provided to community clients provided by licensed professionals at the state rehabilitation centers. The division shall submit claims for reimbursement for services provided to clients living in the community to medical assistance or third-party health care coverage, as appropriate, and shall implement a system for billing clients without coverage.

(c) \$642,000 of the general fund--state appropriation for fiscal year 2008 and \$721,000 of the general fund--state appropriation for fiscal year 2009 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) The department shall ~~((not reduce and shall))~~ continue to provide ~~((subsidies to clients of))~~

professional services at the residential habilitation centers ((professional providers to support the treatment of developmentally disabled clients who do not reside in a residential habilitation center, but shall not expand eligibility for these services)) to eligible community clients within appropriation limits.

(3) PROGRAM SUPPORT

General Fund -- State Appropriation (FY 2008)	\$2,262,000
General Fund -- State Appropriation (FY 2009)	\$1,903,000
General Fund -- Federal Appropriation	\$2,788,000
TOTAL APPROPRIATION	\$6,953,000

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

(1) As part of the needs assessment instrument, the department shall collect data on family income for minor children with developmental disabilities and all individuals who are receiving state-only funded services. The department shall ensure that this information is collected as part of the client assessment process.

(2) In addition to other reductions, the reduced appropriations in this section reflect an additional \$399,000 reduction in administrative costs required by Engrossed Substitute Senate Bill No. 5460 (reducing 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 -- State Appropriation (FY 2008)	\$17,000
General Fund -- State Appropriation (FY 2009)	\$15,000
General Fund -- Federal Appropriation	(\$16,809,000)
	<u>\$21,033,000</u>
TOTAL APPROPRIATION	(\$16,841,000)
	<u>\$21,065,000</u>

**Sec. 1105 was partially vetoed. See message at end of chapter.*

Sec. 1106 2009 c 4 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 2008)	\$700,332,000
General Fund -- State Appropriation (FY 2009)	(\$707,293,000)
	<u>\$655,024,000</u>
General Fund -- Federal Appropriation	(\$1,569,912,000)
	<u>\$1,628,163,000</u>
General Fund -- Private/Local Appropriation	\$19,525,000
Pension Funding Stabilization Account--State Appropriation	\$1,448,000
Health Services Account--State Appropriation (FY 2008)	\$2,444,000
Health Services Account--State Appropriation (FY 2009)	\$2,444,000
Traumatic Brain Injury Account--State Appropriation	\$1,212,000
TOTAL APPROPRIATION	(\$3,004,610,000)

\$3,010,592,000

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

(1) The entire health services account appropriation, \$10,456,000 of the general fund--state appropriation for fiscal year 2008, \$11,370,000 of the general fund--state appropriation for fiscal year 2009, and \$26,778,000 of the general fund--federal appropriation are provided solely for health care benefits for agency home care workers who are employed through state contracts for at least twenty hours a week. The state contribution to the cost of health care benefits per eligible participating worker per month shall be no greater than \$532.00 in fiscal year 2008 and \$585.00 per month in fiscal year 2009.

(2)(a) For purposes of implementing chapter 74.46 RCW, the weighted average nursing facility payment rate shall not exceed \$159.34 for fiscal year 2008 and shall not exceed (~~(\$163.72)~~) \$164.85 for fiscal year 2009, including the rate add-on described in subsection (9) of this section. For all nursing facilities, the direct care, therapy care, support services, and operations component rates established in accordance with chapter 74.46 RCW shall be adjusted for economic trends and conditions by 3.2 percent effective July 1, 2007, and by 1.99 percent effective July 1, 2008.

(b) \$1,835,000 of the general fund--state appropriation for fiscal year 2009 and \$2,574,000 of the general fund--federal appropriation are provided solely for restoration of the statewide weighted average nursing facility payment rate up to the payment rate specified in (a) of this subsection.

(3) In accordance with chapter 74.46 RCW, the department shall issue certificates of capital authorization that result in up to \$16,000,000 of increased asset value completed and ready for occupancy in fiscal year 2008; up to \$16,000,000 of increased asset value completed and ready for occupancy in fiscal year 2009(~~and up to \$16,000,000 of increased asset value completed and ready for occupancy in fiscal year 2010~~)).

~~((4) Adult day health services shall not be considered a duplication of services for persons receiving care in long-term care settings licensed under chapter 18.20, 72.36, or 70.128 RCW. The department shall not reduce and shall continue to provide adult day health services.))~~

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

(a) One waiver program shall include coverage of care in community residential facilities. Enrollment in the waiver shall not exceed 600 persons at any time.

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

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

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

(6) \$1,840,000 of the general fund--state appropriation for fiscal year 2008 and \$1,877,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for operation of the volunteer chore services program.

(7) The department shall establish waiting lists to the extent necessary to assure that annual

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

(8) \$125,000 of the general fund--state appropriation for fiscal year 2008, \$125,000 of the general fund--state appropriation for fiscal year 2009, and \$250,000 of the general fund--federal appropriation are provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5930 (blue ribbon commission on health care). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(9) \$3,000,000 of the general fund--state appropriation for fiscal year 2009 and \$3,134,000 of the general fund--federal appropriation are provided solely to increase compensation for low-wage workers in nursing homes beginning July 1, 2008. Within the funds provided, the department shall provide an add-on per resident day per facility based on the total funding divided by the total number of fiscal year 2009 medicaid patient days as forecasted by the caseload forecast council, not to exceed \$1.57. The department may reduce the level of add-on if necessary to fit within this appropriation if the caseload forecasted days increase from the February 2008 forecast. 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 2006, 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 implement 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.

(10) Within amounts appropriated in this section, the department is authorized to expand the number of boarding homes and adult family homes that receive exceptional care rates for persons with Alzheimer's disease and related dementias who might otherwise require nursing home care. The department may expand the number of licensed boarding home facilities that specialize in caring for such conditions by up to 100 beds. Effective July 1, 2008, the department shall be authorized to provide adult family homes that specialize in caring for such conditions with exceptional care rates for up to 50 beds. The department will develop standards for adult family homes to qualify for such exceptional care rates in order to enhance consumer choice.

(11) \$1,212,000 of the traumatic brain injury account--state appropriation is provided solely for the implementation of Second Substitute House Bill No. 2055 (traumatic brain injury). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(12)(a) Amounts appropriated in this section are sufficient to increase provider payment rates by 6.0 percent for boarding homes, effective July 1, 2007, including those currently receiving exceptional care rates; and by 3.2 percent, effective July 1, 2007, for adult family homes, including those currently receiving exceptional care rates.

(b) The department shall implement phase one of full implementation of a seventeen CARE level payment system for community residential providers. Amounts appropriated in this section are sufficient to increase adult family home provider payment rates on average, effective July 1, 2008, including those currently receiving exceptional care rates, and to adjust adult family home rates for the first phase of a seventeen CARE level payment system. Effective July 1, 2008, the provider payment rate allocation for boarding homes contracted as assisted living shall be the provider's June 30, 2008, payment rate allocation, and the provider payment rate for boarding

homes contracted as ARCs and EARCs shall be adjusted to reflect phase one of a seventeen CARE level payment system. This will be in effect until such time as the rates are consistent between adult family homes and boarding homes for delivery of the same patient care levels.

(c) Amounts provided in this section and in section 205 of this act are sufficient to assist adult family home providers with the cost of paying liability insurance.

(13) 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.

(14) \$2,463,000 of the general fund--state appropriation for fiscal year 2009 and \$1,002,000 of the general fund--federal appropriation are provided solely to implement sections 4 and 8 of Engrossed Second Substitute House Bill No. 2668 (long-term care programs). If the bill is not enacted by June 30, 2008, the amounts provided in this subsection shall lapse.

(15) \$40,000 of the general fund--state appropriation for fiscal year 2009 and \$40,000 of the general fund--federal appropriation are provided solely to implement Second Substitute Senate Bill No. 6220 (nurse delegation) or sections 11 and 12 of Engrossed Second Substitute House Bill No. 2668 (long-term care programs). If neither bill is enacted by June 30, 2008, the amounts provided in this subsection shall lapse.

(16) Within the funds appropriated in the section, the department shall establish one statewide hourly rate to reimburse home care agencies for the costs related to state clients for hours worked by direct care workers in receiving mandatory training. The statewide hourly rate shall be based on the hourly wage paid to individual providers plus mandatory taxes plus an adjustment based on the formula created under RCW 74.39A.310.

(17) ~~((Within the amounts appropriated in this section, the department shall define in-home personal care services to include a client's ability to manage their personal care worker as identified by characteristics in the functional assessment. Clients whose assessments demonstrate they are able to manage their own plan of care are not eligible for personal care through a home care agency. The department shall adopt rules to implement this section))~~ 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) In addition to other reductions, the reduced appropriations in this section reflect an additional \$1,002,000 reduction in administrative costs required by Engrossed Substitute Senate Bill No. 5460 (reducing 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.

(19) Adult day health services shall only be authorized for clients in nonresidential settings.

Sec.1107 2009 c 4 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 2008) \$586,369,000

General Fund -- State Appropriation (FY 2009) ~~(\$464,586,000)~~

\$467,807,000

General Fund -- Federal Appropriation ~~(\$1,168,223,000)~~

\$1,219,837,000

General Fund -- Private/Local Appropriation \$33,233,000

Pension Funding Stabilization Account--State

Appropriation \$4,592,000

TOTAL APPROPRIATION (~~(\$2,257,003,000)~~)

\$2,311,838,000

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

(1) \$344,694,000 of the general fund--state appropriation for fiscal year 2008, (~~(\$362,304,000)~~) \$218,162,000 of the general fund--state appropriation for fiscal year 2009, and (~~(\$733,276,000)~~) \$505,967,000 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. Within the amounts provided for the WorkFirst program, 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) Submit a report by October 1, 2007, to the fiscal committees of the legislature containing a spending plan for the WorkFirst program. The plan shall identify how spending levels in the 2007-2009 biennium will be adjusted to stay within available federal grant levels and the appropriated state-fund levels;

(d) 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;

(e) For fiscal year 2009, increase the temporary assistance for needy families grant standard by three percent to account for increased housing costs.

(2) Up to \$250,000 of the general fund--state appropriation for fiscal year 2008 and \$250,000 of the general fund--state appropriation for fiscal year 2009 of the amounts in subsection (1) of this section are for the WorkFirst pathway to engagement program. The department shall collaborate with community partners and represented staff to identify additional services needed for WorkFirst clients in sanction status. The department shall contract with qualified community-based organizations to deliver such services, provided that such services are complimentary to the work of the department and are not intended to supplant existing staff or services. The department shall also contract with community-based organizations for the provision of services for WorkFirst clients who have been terminated after six months of sanction. Contracts established pursuant to this subsection shall have a performance-based component and shall include both presanction termination and postsanction termination services. Clients shall be able to choose whether or not to accept the services. The department shall develop outcome measures for the program related to outreach and reengagement, reduction of barriers to employment, and client feedback and satisfaction. Nothing in this subsection is intended to modify a collective bargaining agreement under chapter 41.80 RCW or to change the state's responsibility under chapter 41.80 RCW. The department shall report to the appropriate policy and fiscal committees of the legislature by December 1, 2007, on program implementation and outcomes. The

department also shall report on implementation of specialized caseloads for clients in sanction status, including average caseload size, referral process and criteria, and expected outcomes for specialized caseloads.

(3) \$210,000 of the general fund--state appropriation for fiscal year 2008, \$187,000 of the general fund--state appropriation for fiscal year 2009, and \$396,000 of the general fund--federal appropriation are provided solely for implementation of section 8 of Second Substitute House Bill No. 1088 (children's mental health). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(4) \$152,000 of the general fund--state appropriation for fiscal year 2008, \$96,000 of the general fund--state appropriation for fiscal year 2009, and \$482,000 of the general fund--federal appropriation are provided solely for implementation of Second Substitute House Bill No. 1009 (child support schedule). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(5) \$750,000 of the general fund--state appropriation for fiscal year 2008 and \$750,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to increase naturalization services. These amounts shall supplement and not supplant state and federal resources currently provided by the department for this purpose.

(6) \$1,500,000 of the general fund--state appropriation for fiscal year 2008 and \$1,500,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to increase limited English proficiency pathway services. These amounts shall supplement and not supplant state and federal resources currently provided by the department for this purpose.

(7) \$250,000 of the general fund--state appropriation for fiscal year 2008, \$5,782,000 of the general fund--state appropriation for fiscal year 2009, and \$6,431,000 of the general fund--federal appropriation are provided solely for implementation of Substitute Senate Bill No. 5244 (deficit reduction act). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(8) Within amounts appropriated in this section, the department shall: (a) Increase the state supplemental payment by \$1.77 per month beginning July 1, 2007, and by an additional \$1.83 per month beginning July 1, 2008, for SSI clients who reside in nursing facilities, residential habilitation centers, or state hospitals and who receive a personal needs allowance; and (b) decrease other state supplemental payments.

(9) \$100,000 of the general fund--state appropriation for fiscal year 2008 and \$100,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to the department for the data tracking provisions specified in sections 701 and 702 of Second Substitute Senate Bill No. 5470 (dissolution proceedings). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(10) \$1,552,000 of the general fund--state appropriation for fiscal year 2008 and \$1,552,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for implementation of Second Substitute Senate Bill No. 6016 (workfirst program). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(11) \$50,000 of the general fund--state appropriation for fiscal year 2008 and \$50,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to the department to award grants to small mutual assistance associations or small community-based organizations that contract with the department for immigrant and refugee assistance services. The funds shall be awarded to demonstrate the impact of providing funding for a case worker in the community organization on the refugees' economic self-sufficiency through the effective use of social

services, and financial and medical assistance.

(12) \$50,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for implementation of Second Substitute Senate Bill No. 6483 (local food production). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(13) \$1,100,000 of the general fund--state appropriation for fiscal year 2009 and \$850,000 of the general fund--federal appropriation are provided solely to increase the gross income limits for eligibility for programs authorized under RCW 74.04.500 and 74.08A.120 to 200 percent of the federal poverty level. The department shall adjust its rules and information technology systems to make the eligibility change effective October 1, 2008.

(14) The department, in conjunction with the House Bill No. 1290 work group, shall identify and analyze barriers preventing city, county, and state referrals of persons potentially eligible for expedited application processing authorized under RCW 74.09.555. The department, in conjunction with the House Bill No. 1290 work group, shall report its findings and recommendations to the appropriate committees of the legislature no later than November 15, 2008.

(15) \$656,000 of the general fund--state appropriation for fiscal year 2009 is provided solely to the department to increase immigration and naturalization services. These funds shall not supplant state and federal resources currently provided by the department for this purpose.

(16) The department shall not increase the child care copayment for families above 82 percent of the federal poverty level.

(17) In addition to other reductions, the reduced appropriations in this section reflect an additional \$516,000 reduction in administrative costs required by Engrossed Substitute Senate Bill No. 5460 (reducing 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.

Sec. 1108 2009 c 4 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 2008)	\$69,252,000
General Fund -- State Appropriation (FY 2009)	(\$54,049,000)
	<u>\$55,324,000</u>
General Fund -- Federal Appropriation	(\$168,949,000)
	<u>\$177,314,000</u>
General Fund -- Private/Local Appropriation	\$6,083,000
Criminal Justice Treatment Account -- State Appropriation	\$18,555,000
Violence Reduction and Drug Enforcement Account -- State Appropriation (FY 2008)	\$22,186,000
Violence Reduction and Drug Enforcement Account -- State Appropriation (FY 2009)	\$22,186,000
Problem Gambling Account -- State Appropriation	\$1,464,000
Public Safety and Education Account--State Appropriation (FY 2008)	\$3,396,000
Public Safety and Education Account--State	

Appropriation (FY 2009)	\$3,395,000
Pension Funding Stabilization Account--State	
Appropriation	\$146,000
TOTAL APPROPRIATION	(\$369,661,000)
	<u>\$379,301,000</u>

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

(1) \$2,786,000 of the general fund--state appropriation for fiscal year 2008 and \$2,785,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the parent child assistance program. The department shall contract with the University of Washington and community-based providers for the provision of this program. For all contractors, indirect charges for administering the program shall not exceed ten percent of the total contract amount.

(2) \$11,113,000 of the general fund--state appropriation for fiscal year 2008, \$14,490,000 of the general fund--state appropriation for fiscal year 2009, and \$14,269,000 of the general fund--federal appropriation are provided solely for the expansion of chemical dependency treatment services for adult medicaid eligible and general assistance-unemployable patients authorized under the 2005-07 biennial appropriations act. By September 30, 2007, the department shall submit an expenditure and program report relating to the patients receiving treatment and other services pursuant to the funding provided in this subsection (2), as well as to other patients receiving treatment funded by the department. The report shall be submitted to the office of financial management and the appropriate policy and fiscal committees of the legislature. Subsequent updates to this report shall be provided by January 31 and July 31 of each fiscal year of the 2007-09 biennium. The reports shall include, but not necessarily be limited to, the following information: (a) The number and demographics (including categories) of patients served; (b) geographic distribution; (c) modality of treatment services provided (i.e. residential or out-patient); (d) treatment completion rates; (e) funds spent; and (f) where applicable, the estimated cost offsets in medical assistance on a total and per patient basis.

(3) \$698,000 of the general fund--state appropriation for fiscal year 2008, \$1,060,000 of the general fund--state appropriation for fiscal year 2009, and \$154,000 of the general fund--federal appropriation are provided solely for the expansion authorized under the 2005-07 biennial appropriations act of chemical dependency treatment services for minors who are under 200 percent of the federal poverty level. The department shall monitor the number and type of clients entering treatment, for purposes of determining potential cost offsets.

(4) \$250,000 of the general fund--state appropriation for fiscal year 2008 and \$145,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the department to contract for the following: (a) To continue an existing pilot program in Pierce county limited to individuals who began chemical dependency treatment using the prometa protocol prior to March 11, 2008; and (b) to contract with an independent evaluator who will, to the extent possible, evaluate the Pierce county pilot, as well as summarize other research on the efficacy of the prometa protocol.

(5) \$4,449,000 of the general fund--state appropriation for fiscal year 2009 and \$1,000,000 of the criminal justice treatment account appropriation are provided solely to implement Engrossed Substitute Senate Bill No. 6665 (crisis response), to continue existing pilot programs and to expand the intensive crisis response pilot to Spokane county. The continuation and expansion of the pilot programs expires June 30, 2009. If the bill is not enacted by June 30, 2008, the amounts provided in this subsection shall lapse.

(6) The department shall not reduce and shall continue to provide adult care and low-income treatment and detoxification services.

(7) The department shall not reduce and shall continue to support the families in recovery program.

(8) The department shall not reduce and shall continue the student employment program.

(9) The department shall not reduce and shall continue to provide funding for living allowances to clients in treatment under RCW 74.50.050.

(10) The department shall not reduce and shall continue to provide funding to drug courts for treatment.

(11) In addition to other reductions, the reduced appropriations in this section reflect an additional \$76,000 reduction in administrative costs required by Engrossed Substitute Senate Bill No. 5460 (reducing 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.

(12) The department shall not reduce and shall continue to secure and provide for evaluation training for assessing children with fetal alcohol spectrum disorders (FASD).

Sec. 1109 2009 c 4 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 2008)	\$1,602,827,000
General Fund -- State Appropriation (FY 2009)	(\$1,533,431,000)
	<u>\$1,453,789,000</u>
General Fund -- Federal Appropriation	(\$4,439,060,000)
	<u>\$4,669,537,000</u>
General Fund -- Private/Local Appropriation	\$2,000,000
Emergency Medical Services and Trauma Care Systems	
Trust Account -- State Appropriation	\$15,076,000
Health Services Account -- State Appropriation (FY 2008)	\$388,946,000
Health Services Account -- State	
Appropriation (FY 2009)	(\$392,857,000)
	<u>\$364,314,000</u>
Tobacco Prevention and Control Account--State	
Appropriation	(\$1,883,000)
	<u>\$1,727,000</u>
Pension Funding Stabilization Account--State	
Appropriation	\$646,000
TOTAL APPROPRIATION	(\$8,376,726,000)
	<u>\$8,498,862,000</u>

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

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

(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) \$1,111,000 of the health services account appropriation for fiscal year 2008, \$1,110,000 of the health services account appropriation for fiscal year 2009, \$5,402,000 of the general fund -- federal appropriation, \$1,590,000 of the general fund--state appropriation for fiscal year 2008, and \$1,591,000 of the general fund--state appropriation for fiscal year 2009 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) \$10,546,000 of the health services account appropriation for fiscal year 2008, \$10,546,000 of the health services account--state appropriation for fiscal year 2009, and \$19,725,000 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 2007-2009 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, 2007, and by November 1, 2008, 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 2008 and fiscal year 2009, hospitals in the program shall be paid and shall retain (a) 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 (b) 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, and (b) disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005 that pertain to fiscal year 2005. 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 within two years after the end of the related fiscal year. 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. \$61,728,000 of the general fund--state appropriation for fiscal year 2008, of which \$6,570,000 is appropriated in section 204(1) of this act and the balance in this section, and ((~~\$47,745,000~~)) \$46,490,000 of the general fund--state appropriation for fiscal year 2009, of which \$6,570,000 is appropriated in section 204(1) of this act and the balance in this section, are provided solely for state grants for the participating hospitals.

(9) \$4,399,000 of the general fund -- state appropriation for fiscal year 2008, ((~~\$6,391,000~~)) \$6,094,000 of the general fund -- state appropriation for fiscal year 2009, and ((~~\$55,384,000~~)) \$53,470,000 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 are conditioned on the department satisfying the requirements of section 902 of this act.

(10) 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.

(11) 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.

(12) 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.

(13) The department shall, within available resources, continue operation of the medical care services care management pilot project for clients receiving general assistance benefits in King and Pierce counties. The project may use a full or partial capitation model that includes a mechanism for shared savings.

(14) \$1,688,000 of the general fund--state appropriation for fiscal year 2008 and \$1,689,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to incorporate a mental health service component to the pilot project established pursuant to subsection (13) of this section. Addition of the mental health service component authorized in this subsection is contingent upon the managed care contractor or the participating counties providing, alone or in combination, matching funds in cash or in kind, in an amount equal to one-ninth of the amounts appropriated in this subsection. The mental health service component may include care coordination, mental health services, and integrated medical and mental health service delivery for general assistance clients with mental health disorders, as well as primary care provider training and education. The department shall provide a report to the appropriate committees of the legislature by January 1, 2009, on costs, savings, and any outcomes or quality measures associated with the pilot projects during calendar year 2007 and 2008. To the extent possible, the report shall address any impact that the mental health services component has had upon clients' use of medical services, including but not limited to primary care physician's visits, emergency room utilization, and prescription drug utilization.

(15) \$341,000 of the health services account appropriation for fiscal year 2008, \$1,054,000 of the health services account appropriation for fiscal year 2009, and \$1,461,000 of the general fund--federal appropriation are provided solely to implement Second Substitute House Bill No. 1201 (foster care youth medical). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(16) \$6,728,000 of the general fund--state appropriation for fiscal year 2008 and \$8,563,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to provide full benefit dual eligible beneficiaries with medicare part D prescription drug copayment coverage in accordance with chapter 3, Laws of 2007 (part D copayment drug program).

(17) The department shall conduct a study to determine the financial impact associated with continuing to cover brand name medications versus the same medication in its generic form. The study shall account for all rebates paid to the state on each product studied up until the point where the generic form is less expensive, net of federally required rebates. The department shall submit its report to the legislative fiscal committees by December 1, 2007.

(18) \$198,000 of the general fund--state appropriation for fiscal year 2008 and \$134,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the first two years of a four-year project by the Seattle-King county health department to improve management of symptoms and reduce complications related to asthma among medicaid eligible children. The department shall contract with the Seattle-King county health department to have trained community health workers visit medicaid eligible children in their homes to identify and reduce exposure to asthma triggers, improve clients' self-management skills, and coordinate clients' care with their primary care and specialty providers. The contract shall include an evaluation of the impact of the services provided under the contract on urgent physician's visits, emergency room utilization, and inpatient hospitalization.

(19) \$1,529,000 of the general fund--state appropriation for fiscal year 2008 and \$1,624,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for development and implementation of an outreach program as provided in chapter 5, Laws of 2007 (Second Substitute Senate Bill No. 5093, health services for children).

(a) By December 15, 2007, the department shall provide a report to the appropriate committees of the legislature on the progress of implementing the following activities:

(i) Feasibility study and implementation plan to develop online application capability that is

integrated with the department's automated client eligibility system;

(ii) Development of data linkages with the office of superintendent of public instruction for free and reduced-price lunch enrollment information and the department of early learning for child care subsidy program enrollment information;

(iii) Informing insurers and providers when their enrollees' eligibility is going to expire so insurers and providers can help families reenroll;

(iv) Outreach contracts with local governmental entities, community based organizations, and tribes;

(v) Results of data sharing with outreach contractors, and other contracted entities such as local governments, community-based organizations, tribes, health care providers, and insurers to engage, enroll, and reenroll identified children;

(vi) Results of efforts to maximize federal matching funds, wherever possible; and

(vii) Plans for sustaining outreach programs proven to be successful.

(b)(i) Within the amounts provided under this subsection (19), sufficient funding is provided to the department to develop and implement in conjunction with the employment security department a plan that would:

(A) Allow applicants and recipients of unemployment insurance to request assistance with obtaining health coverage for household members; and

(B) Authorize the exchange of information between the employment security department and the department of social and health services to more efficiently determine eligibility for health coverage under chapter 74.09 RCW.

(ii) The plan developed in (b)(i) of this subsection should address permissible uses of federal employment security funding and infrastructure, identification of any necessary statutory changes, and cost information. The department shall submit the plan in a report to the governor and the appropriate committees of the legislature by November 15, 2008.

(20) \$640,000 of the general fund--state appropriation for fiscal year 2008 and \$616,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for a medicare advantage program. The department shall:

(a) Pay the premiums associated with enrollment in a medicare advantage plan for those full benefit dual eligible beneficiaries, as defined in RCW 74.09.010, who were enrolled on or before November 14, 2006 in a medicare advantage plan sponsored by an entity accredited by the national committee for quality assurance and for whom the department had been paying Part C premium as of November 2006; and

(b) Undertake, directly or by contract, a study to determine the cost-effectiveness of paying premiums for enrollment of full benefit dual eligible beneficiaries in medicare advantage plans in lieu of paying full benefit dual eligible beneficiaries' medicare cost-sharing. The study shall compare the cost and health outcomes experience, including rates of nursing home placement and costs for groups of full benefit dual eligible beneficiaries who are enrolled in medicare advantage plans, in medicare special needs plan or in medicare fee-for-service. The study shall compare the health status and utilization of health and long-term care services for the three groups, and the impact of access to a medical home and specialty care, over a period of two years to determine any differences in health status, health outcomes, and state expenditures that result. The department shall submit the results of the study to the governor and the legislature by June 30, 2009. The department is authorized to accept private cash and in-kind donations and grants to support the study and evaluation.

(c) Track enrollment and expenditures for this population on department monthly

management reports.

(21) The department may not transition to managed care delivery any population that has been primarily served under fee-for-service delivery unless the department first conducts a cost-effectiveness evaluation of the transition, including an evaluation of historical data on utilization patterns, and finds that the transition would result in a more effective and cost-efficient form of service delivery, pursuant to RCW 74.09.470. Any such finding must be provided to the governor and the legislature no less than ninety days before the transition begins.

(22) \$756,000 of the general fund--state appropriation for fiscal year 2008, \$1,193,000 of the general fund--state appropriation for fiscal year 2009, \$1,261,000 of the health services account--state appropriation for fiscal year 2009, and \$2,448,000 of the general fund--federal appropriation are provided solely to implement sections 5, 7, 8, and 11 of Second Substitute House Bill No. 1088 (children's mental health). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(23) \$288,000 of the general fund--state appropriation for fiscal year 2008, \$277,000 of the general fund--state appropriation for fiscal year 2009, and \$566,000 of the general fund--federal appropriation are provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5930 (blue ribbon comm/health care). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(24) \$45,000 of the general fund--state appropriation for fiscal year 2008 is provided solely for the department of social and health services, in consultation with the health care authority and the employment security department, to prepare and submit a report and recommendations to the governor and the legislature related to coverage of low-wage workers enrolled on state plans who are employed by employers with more than fifty employees. The report shall address multiple approaches, including but not limited to the proposal included in House Bill No. 2094 (taxpayer health care fairness act). The discussion of each approach included in the report should identify how the approach would further the goal of shared responsibility for coverage of low-wage workers, obstacles to implementation and options to address them, and estimated implementation costs. The report shall be submitted on or before November 15, 2007. The agencies shall establish a workgroup, which shall be closely involved and consulted in the development of the report and recommendations under this subsection. The workgroup shall include the following participants: Persons or organizations representing large employers in the retail, agricultural and grocery trades, other large employers, organizations representing employees of large employers, organizations representing low-wage employees of large employers, state and local governmental entities as employers, and organizations representing employees of state and local governmental entities. In addition, the workgroup shall include three members from each of the two largest caucuses of the house of representatives, appointed by the speaker, and three members from each of the two largest caucuses of the senate, appointed by the president of the senate.

(25) \$1,883,000 of the tobacco prevention and control account--state appropriation and \$1,742,000 of the general fund--federal appropriation are for the provision of smoking cessation benefits pursuant to Senate Bill No. 6421 (smoking cessation). If the bill is not enacted by June 30, 2008, the amounts provided in this subsection shall lapse.

(26) As part of the five-year plan on state purchasing to improve health care quality under chapter 259, Laws of 2007, the department, in collaboration with the department of health, shall provide a report to the appropriate committees of the legislature outlining a strategy to improve immunization rates for all children in the state, including but not limited to vaccine

administration fee increases and pay-for-performance incentives. The department shall submit the report to the governor and the health policy and fiscal committees of the legislature by November 1, 2008.

(27) Within existing funds, the department shall evaluate the fiscal impact of the federal upper limits on medicaid reimbursement to pharmacies implemented under the federal deficit reduction act, and report its findings to the legislature by December 1, 2008.

(28)(a) \$100,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for a feasibility study to examine processes and systems that would expeditiously link persons released from confinement in state and local correctional facilities and institutions for mental diseases to medical assistance benefits for which they qualify. The study shall present an analysis of the costs and benefits associated with:

(i) Suspending eligibility for persons who were receiving medical assistance at the time their confinement began, such that upon the person's release from confinement, medical assistance benefits would immediately resume without the filing of a new application. In the evaluation of eligibility suspension, the department shall examine process modifications that would allow confined persons to recertify eligibility before or immediately after release from confinement;

(ii) Improving the efficiency and expanding the scope of the expedited medical assistance reinstatement and eligibility determination process established under RCW 74.09.555, including extending the process to persons other than those with mental disorders, both for persons who had been previously eligible before confinement and for persons who had not been eligible before confinement;

(iii) Providing medical and mental health evaluations to determine disability for purposes of the medical assistance program before the person's release from confinement; and

(iv) Notifying the department in a timely manner when a person who has been enrolled in medical assistance is confined in a state correctional institution or institution for mental diseases or is released from confinement.

(b) In conducting the study, the department shall collaborate with the Washington association of sheriffs and police chiefs, the department of corrections, the regional support networks, department field offices, institutions for mental diseases, and correctional institutions. The department shall submit the study to the governor and the legislature by November 15, 2008.

(29) \$50,000 of the general fund--state appropriation for fiscal year 2009 and \$50,000 of the general fund--federal appropriation are provided solely for implementation of the agency's responsibilities in Engrossed Second Substitute House Bill No. 2549 (patient-centered primary care). If the bill is not enacted by June 30, 2008, the amounts provided in this subsection shall lapse.

(30) The department shall not reduce and shall continue to provide family planning nurses and supplies at community services offices.

(31) The department shall not eliminate and shall continue to provide a nurse hotline for foster parents.

(32) The department shall not reduce and shall provide medical assistance to children under three-hundred percent of the federal poverty level.

(33) The department shall not reduce and shall continue to provide maternity support services to pregnant and postpartum women.

(34) ~~((The department shall not reduce and shall continue to provide transportation services to patients receiving adult day health services.~~

—(35))) The department shall continue children's health coverage outreach and education

efforts. These efforts shall rely on existing relationships and systems developed to implement the program under RCW 74.09.470, such as those 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 may become available to provide on-going support for outreach and education efforts.

~~((36))~~ (35) The department shall reduce expenditures on pharmaceuticals and durable medical equipment.

~~((37))~~ (36) The department shall not reduce hospital rates.

~~((38))~~ (37) In addition to other reductions, the reduced appropriations in this section reflect an additional \$1,062,000 reduction in administrative costs required by Engrossed Substitute Senate Bill No. 5460 (reducing 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.

Sec. 1110 2009 c 4 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 2008) \$11,543,000

General Fund -- State Appropriation (FY 2009) ~~(\$8,182,000)~~

\$8,170,000

General Fund -- Federal Appropriation ~~(\$95,975,000)~~

\$100,521,000

Telecommunications Devices for the Hearing and

Speech Impaired -- State Appropriation \$1,975,000

Pension Funding Stabilization Account--State

Appropriation \$116,000

TOTAL APPROPRIATION ~~(\$117,791,000)~~

\$122,325,000

Sec. 1111 2009 c 4 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 2008) \$52,506,000

General Fund -- State Appropriation (FY 2009) ~~(\$52,216,000)~~

\$51,478,000

TOTAL APPROPRIATION ~~(\$104,722,000)~~

\$103,984,000

Sec. 1112 2009 c 4 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 2008) \$59,085,000

General Fund -- State Appropriation (FY 2009) ~~(\$52,540,000)~~

\$53,620,000

General Fund -- Federal Appropriation (~~(\$53,302,000)~~)
\$53,864,000
TOTAL APPROPRIATION (~~(\$164,927,000)~~)
\$166,569,000

The appropriations in this section are subject to the following conditions and limitations:
\$235,000 of the general fund--state appropriation for fiscal year 2009 and \$111,000 of the
general fund--federal appropriation are provided solely to implement sections 2 and 3 of
Engrossed Second Substitute House Bill No. 3205 (child long-term well-being). If the bill is not
enacted by June 30, 2008, the amounts provided in this subsection shall lapse.

Sec. 1113 2009 c 4 s 213 (uncodified) is amended to read as follows:

FOR THE STATE HEALTH CARE AUTHORITY

General Fund--State Appropriation (FY 2008) \$1,000,000
General Fund--State Appropriation (FY 2009) \$500,000
General Fund -- Federal Appropriation \$4,934,000
State Health Care Authority Administrative Account --
State Appropriation \$41,497,000
State Health Care Authority Administrative Account--
Private/Local Appropriation \$100,000
Medical Aid Account -- State Appropriation \$527,000
Health Services Account -- State Appropriation
(FY 2008) \$271,478,000
Health Services Account -- State Appropriation
(FY 2009) (~~(\$291,795,000)~~)
\$289,124,000
TOTAL APPROPRIATION (~~(\$611,331,000)~~)
\$609,160,000

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) Appropriations in this act include specific funding for health records banking under section 10 of Engrossed Second Substitute Senate Bill No. 5930 (blue ribbon commission).

(5) \$11,934,000 of the health services account--state appropriation for fiscal year 2008 and \$11,834,000 of the health services account--state appropriation for fiscal year 2009 are provided solely for funding for health care services provided through local community clinics.

(6) \$784,000 of the health services account--state appropriation for fiscal year 2008, \$540,000 of the general fund--federal appropriation, and \$8,200,000 of the state health care authority administrative account--state appropriation are provided for the development of a new benefits administration and insurance accounting system.

(7) \$2,000,000 of the health services account--state appropriation for fiscal year 2009 is provided solely for the authority to provide one-time competitive grants to community health centers to increase the number of adults served on an ongoing basis. Each clinic receiving grant funding shall report annually, beginning December 2008, on key adult access indicators established by the authority, including but not limited to increases in the number of low-income adults served.

(8) \$1,639,000 of the health services account--state appropriation for fiscal year 2008 is provided solely for section 5 of Engrossed Second Substitute House Bill No. 1569 (health insurance partnership board) and related provisions of Engrossed Second Substitute Senate Bill No. 5930 (blue ribbon commission on health care).

(9) \$664,000 of the health services account--state appropriation for fiscal year 2008 is provided solely for the implementation of the Washington quality forum, pursuant to section 9 of Engrossed Second Substitute Senate Bill No. 5930 (blue ribbon commission). If the section is not enacted by June 2007, the amounts provided in this subsection shall lapse.

(10) \$600,000 of the state health care authority administrative account--state appropriation is provided solely for the implementation of the state employee health pilot, pursuant to section 41 of Engrossed Second Substitute Senate Bill No. 5930 (blue ribbon commission). If the section is not enacted by June 2007, the amounts provided in this subsection shall lapse.

(11) \$250,000 of the health services account--state appropriation for fiscal year 2008 and \$250,000 of the health services account--state appropriation for fiscal year 2009 are provided solely for continuation of the community health collaborative grant program in accordance with chapter 67, Laws of 2006 (E2SSB 6459). The applicant organizations must assure measurable improvements in health access within their service region, demonstrate active collaboration with key community partners, and provide two dollars in matching funds for each grant dollar awarded.

(12) \$731,000 of the health services account--state appropriation for fiscal year 2008 and \$977,000 of the health services account--state appropriation for fiscal year 2009 are provided solely for the dental residency program, including maintenance of the existing residency positions and the establishment of six additional resident positions in fiscal year 2008 (four in

eastern Washington and two in the Seattle area), and five additional positions in fiscal year 2009.

(13) Appropriations in this act include funding for sections 14 (reducing unnecessary emergency room use) and 40 (state employee health program) of Engrossed Second Substitute Senate Bill No. 5930 (blue ribbon commission).

(14) \$100,000 of the health services account--state appropriation for fiscal year 2009 is provided solely for implementation of the agency's responsibilities in Engrossed Second Substitute House Bill No. 2549 (patient-centered primary care). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

Sec. 1114 2009 c 4 s 214 (uncodified) is amended to read as follows:

FOR THE HUMAN RIGHTS COMMISSION

General Fund -- State Appropriation (FY 2008)	\$3,377,000
General Fund -- State Appropriation (FY 2009)	\$3,580,000
General Fund -- Federal Appropriation	(\$1,523,000)
	<u>\$1,723,000</u>
TOTAL APPROPRIATION	(\$8,480,000)
	<u>\$8,680,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$115,000 of the general fund--state appropriation for fiscal year 2008 and \$190,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for implementation of Engrossed Substitute Senate Bill No. 6776 (whistleblower protections). If the bill is not enacted by June 30, 2008, the amounts provided in this subsection shall lapse.

Sec. 1115 2009 c 4 s 215 (uncodified) is amended to read as follows:

FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS

Worker and Community Right-to-Know Account -- State Appropriation	\$20,000
Accident Account -- State Appropriation	(\$17,963,000)
	<u>\$18,045,000</u>
Medical Aid Account -- State Appropriation	(\$17,964,000)
	<u>\$18,046,000</u>
TOTAL APPROPRIATION	(\$35,947,000)
	<u>\$36,111,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$82,000 of the accident account--state appropriation for fiscal year 2009 and \$82,000 of the medical aid account--state appropriation for fiscal year 2009 are provided solely for implementation of chapter 280, Laws of 2008 (industrial insurance orders).

Sec. 1116 2009 c 4 s 216 (uncodified) is amended to read as follows:

FOR THE CRIMINAL JUSTICE TRAINING COMMISSION

General Fund--State Appropriation (FY 2009)	\$306,000
Public Safety and Education Account--State Appropriation (FY 2008)	\$15,680,000
Public Safety and Education Account--State	

Appropriation (FY 2009)	(\$21,445,000)
<u>\$21,320,000</u>	
Death Investigations Account -- State Appropriation	\$148,000
Municipal Criminal Justice Assistance Account --	
State Appropriation	\$460,000
Washington Auto Theft Prevention Authority Account--	
State Appropriation	\$12,322,000
TOTAL APPROPRIATION	(\$50,361,000)
<u>\$50,236,000</u>	

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

(1) During the 2007-2009 biennium, the criminal justice training commission is authorized to raise existing fees charged for firearms certification for security guards in excess of the fiscal growth factor established pursuant to RCW 43.135.055, if necessary, to meet the actual costs of conducting the certification programs and the appropriation levels in this section.

(2) \$2,390,000 of the public safety and education account--state appropriation for fiscal year 2008 and (~~(\$1,809,000)~~) \$1,684,000 of the public safety and education account--state appropriation for fiscal year 2009 are provided solely for ten additional basic law enforcement academies in fiscal year 2008 and (~~(nine)~~) eight additional basic law enforcement academies in fiscal year 2009.

(3) \$1,044,000 of the public safety and education account--state appropriation for fiscal year 2008 and \$1,191,000 of the public safety and education account--state appropriation for fiscal year 2009 are 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).

(4) \$28,000 of the public safety and education account--state appropriation for fiscal year 2008 is provided solely for the implementation of chapter 10, Laws of 2007 (SSB 5191, missing persons).

(5) \$5,400,000 of the Washington auto theft prevention authority account--state appropriation for fiscal year 2008 and \$6,922,000 of the Washington auto theft prevention authority account--state appropriation for fiscal year 2009 are provided solely for the implementation of Engrossed Third Substitute House Bill No. 1001 (auto theft). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(6) \$150,000 of the public safety and education account--state appropriation for fiscal year 2008 and \$150,000 of the public safety and education account--state appropriation for fiscal year 2009 are provided solely to deliver multi-disciplinary team training sessions aimed at improving the coordination of, and communication between, agencies involved in the investigation of child fatality, child sexual abuse, child physical abuse, and criminal neglect cases.

(7) \$25,000 of the public safety and education account--state appropriation for fiscal year 2008 is provided solely for the implementation of Substitute Senate Bill No. 5987 (gang-related offenses). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(8) \$50,000 of the public safety and education account--state appropriation for fiscal year 2008 and \$50,000 of the public safety and education account--state appropriation for fiscal year 2009 are provided solely for support of the coalition of small police agencies major crimes task force. The purpose of this task force is to pool its resources and to establish an efficient and

cooperative approach in addressing major violent crimes.

(9) \$20,000 of the public safety and education account--state appropriation for fiscal year 2008 is provided solely for the implementation of Substitute Senate Bill No. 5315 (forest fires/property access). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(10) \$5,000,000 of the public safety and education account--state appropriation for fiscal year 2009 is provided to the Washington association of sheriffs and police chiefs solely to verify the address and residency of all 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:

(A) For level I offenders, every twelve months;

(B) For level II offenders, every six months; and

(C) 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.

(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 September 1, 2009.

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.

(11) \$750,000 of the public safety and education fund--state appropriation for fiscal year 2009 is provided solely for implementation of Second Substitute House Bill No. 2712 (criminal street gangs). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(12) \$306,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for a grant program to pay for the costs of local law enforcement agencies participating in specialized crisis intervention training.

Sec. 1117 2009 c 4 s 217 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LABOR AND INDUSTRIES

General Fund -- State Appropriation (FY 2008)	\$8,716,000
General Fund -- State Appropriation (FY 2009)	\$8,624,000
General Fund--Federal Appropriation	\$100,000
Public Safety and Education Account -- State Appropriation (FY 2008)	\$15,393,000
Public Safety and Education Account -- State Appropriation (FY 2009)	\$16,525,000
Public Safety and Education Account -- Federal Appropriation	\$10,000,000
Asbestos Account -- State Appropriation	\$908,000

Electrical License Account -- State Appropriation	\$41,104,000
Farm Labor Revolving Account -- Private/Local Appropriation	\$28,000
Worker and Community Right-to-Know Account -- State Appropriation	\$1,941,000
Public Works Administration Account -- State Appropriation	\$3,948,000
Manufactured Home Installation Training Account-- State Appropriation	\$192,000
Accident Account -- State Appropriation	(\$232,295,000)
	<u>\$232,617,000</u>
Accident Account -- Federal Appropriation	\$13,622,000
Medical Aid Account -- State Appropriation	(\$235,445,000)
	<u>\$235,766,000</u>
Medical Aid Account -- Federal Appropriation	\$3,186,000
Plumbing Certificate Account -- State Appropriation	\$1,634,000
Pressure Systems Safety Account -- State Appropriation	\$3,646,000
TOTAL APPROPRIATION	(\$597,307,000)
	<u>\$597,950,000</u>

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

(1) \$2,413,000 of the medical aid account--state appropriation is provided solely for conducting utilization reviews of physical and occupational therapy cases at the 24th visit and the associated administrative costs, including those of entering data into the claimant's file. The department shall develop and report performance measures and targets for these reviews to the office of financial management. The reports are due September 30th for the prior fiscal year and must include the amount spent and the estimated savings per fiscal year.

(2) \$2,247,000 of the medical aid account--state appropriation is provided solely to implement Engrossed Substitute Senate Bill No. 5920 (vocational rehabilitation). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(3) \$822,000 of the medical aid account--state appropriation is provided solely for vocational services professional staff salary adjustments necessary to recruit and retain positions required for anticipated changes in work duties as a result of Engrossed Substitute Senate Bill No. 5920 (vocational rehabilitation). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse. Compensation for anticipated changes to work duties is subject to review and approval by the director of the department of personnel and is subject to collective bargaining.

(4) \$8,000,000 of the medical aid account--state appropriation is provided solely to establish a 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.

(5) \$600,000 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.

(6) \$181,000 of the accident account--state appropriation and \$181,000 of the medical aid account--state appropriation are provided solely to implement Substitute Senate Bill No. 5443 (workers' compensation claims). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(7) \$558,000 of the medical aid account--state appropriation is provided solely to implement Engrossed Substitute Senate Bill No. 5290 (workers' compensation advisory committees). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(8) \$104,000 of the public safety and education account--state appropriation for fiscal year 2008, \$104,000 of the public safety and education account--state appropriation for fiscal year 2009, \$361,000 of the accident account--state appropriation, and \$361,000 of the medical aid account--state appropriation are provided solely for implementation of Engrossed Substitute Senate Bill No. 5675 (workers' compensation benefits). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(9) \$730,000 of the medical aid account--state appropriation is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 5930 (blue ribbon commission). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(10) \$437,000 of the accident account--state appropriation and \$437,000 of the medical aid account--state appropriation are provided solely for implementation of Substitute Senate Bill No. 5053 (industrial insurance ombudsman). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(11) \$74,000 of the accident account--state appropriation and \$74,000 of the medical aid--state appropriation are provided solely for implementation of Engrossed Substitute Senate Bill No. 5915 (notices to employers). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(12) \$605,000 of the accident account--state appropriation for fiscal year 2008 is provided solely for a study of the incidence of permanent total disability pensions in the state's workers' compensation system. To conduct the study, the department shall contract with an independent researcher that has demonstrated expertise in workers' compensation systems. When selecting the independent researcher, the department shall consult the labor and business members of the workers' compensation advisory committee and, if the labor and business members of the workers' compensation advisory committee agree on a particular independent researcher, the department shall select that independent researcher. The study must consider causes of the recent increase in permanent total disability cases, future anticipated permanent total disability trends, a comparison of Washington's permanent total disability claims experience and injured workers with other states and jurisdictions, the impact of the standard for finding workers employable on the incidence of permanent total disability pensions, and the impact of vocational rehabilitation under RCW 51.32.095 on the incidence of permanent total disability pensions. The department shall report to the workers' compensation advisory committee, the house of representatives commerce and labor committee, and the senate labor, commerce, research and development committee on the results of the study on or before July 1, 2008.

(13) \$1,089,000 of the accident account--state appropriation and \$192,000 of the medical aid account--state appropriation are provided solely for implementation of chapter 27, Laws of 2007 (ESHB 2171, crane safety).

(14) \$100,000 of the general fund--federal appropriation and \$192,000 of the manufactured home installation training account--state appropriation are provided solely for Substitute House Bill No. 2118 (mobile/manufactured homes). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(15) \$107,000 of the accident account--state appropriation and \$107,000 of the medical aid account--state appropriation are provided solely to implement Senate Bill No. 6839 (workers' compensation coverage). If the bill is not enacted by June 30, 2008, the amounts provided in this subsection shall lapse.

(16) (~~(\$224,000)~~) \$169,000 of the general fund--state appropriation for fiscal year 2009, \$741,000 of the accident account--state appropriation, and \$741,000 of the medical aid account--state appropriation are provided solely for implementation of Second Substitute Senate Bill No. 6732 (construction industry). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(17) \$408,000 of the accident account--state appropriation and \$72,000 of the medical aid account--state appropriation are provided solely to implement Substitute House Bill No. 2602 (victims' employment leave). If the bill is not enacted by June 30, 2008, the amounts provided in this subsection shall lapse.

(18) \$3,000 of the public safety and education account--state appropriation for fiscal year 2008 and \$3,000 of the public safety and education account--state appropriation for fiscal year 2009 are provided solely to implement Substitute Senate Bill No. 6246 (industrial insurance claims). If the bill is not enacted by June 30, 2008, the amounts provided in this subsection shall lapse.

(19) \$40,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for the department to conduct a review of the need for regulation of general and specialty contractors involved in the repair, alteration, or construction of single-family homes using the public interest criteria set forth in RCW 18.118.010 and as generally described in Second Substitute House Bill No. 3349 (residential contractors). By October 1, 2008, the department and the department of licensing shall report their findings to the appropriate committees of the legislature.

(20) (~~The department of labor and industries shall enter into an interagency agreement with the employment security department to expend funds from the family leave insurance account for the implementation of the family leave insurance program.~~

~~—(21))~~ 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 and by not more than 5.53 percent in fiscal year 2008: Boiler inspection permits and fees; boiler permit fees; plumbers' continuing education; and plumbers' licensing and examination fees.

(21) \$256,000 of the accident account--state appropriation and \$256,000 of the medical aid account--state appropriation are provided solely for implementation of chapter 280, Laws of 2008 (industrial insurance orders).

Sec. 1118 2009 c 4 s 219 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF VETERANS AFFAIRS

(1) HEADQUARTERS

General Fund -- State Appropriation (FY 2008)	\$2,124,000
General Fund -- State Appropriation (FY 2009)	\$1,926,000

Charitable, Educational, Penal, and Reformatory
Institutions Account -- State Appropriation \$10,000

TOTAL APPROPRIATION \$4,060,000

(2) FIELD SERVICES

General Fund -- State Appropriation (FY 2008) \$5,264,000
General Fund -- State Appropriation (FY 2009) \$5,476,000
General Fund -- Federal Appropriation ~~(\$1,025,000)~~
\$1,332,000
General Fund -- Private/Local Appropriation ~~(\$3,317,000)~~
\$3,640,000
Veterans Innovations Program Account Appropriation \$1,437,000
Veteran Estate Management Account -- Private/Local
Appropriation \$1,062,000
TOTAL APPROPRIATION ~~(\$17,581,000)~~
\$18,211,000

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

(a) \$440,000 of the general fund--state appropriation for fiscal year 2008 and \$560,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to implement Second Substitute Senate Bill No. 5164 (veterans' conservation corps). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(b) The department shall not reduce field service contracts.

(3) INSTITUTIONAL SERVICES

General Fund -- State Appropriation (FY 2008) \$7,948,000
General Fund -- State Appropriation (FY 2009) ~~(\$5,484,000)~~
\$4,833,000
General Fund -- Federal Appropriation ~~(\$43,120,000)~~
\$43,207,000
General Fund -- Private/Local Appropriation ~~(\$31,569,000)~~
\$32,241,000
TOTAL APPROPRIATION ~~(\$88,121,000)~~
\$88,229,000

Sec. 1119 2009 c 4 s 221 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF HEALTH

General Fund -- State Appropriation (FY 2008) \$81,232,000
General Fund -- State Appropriation (FY 2009) ~~(\$80,596,000)~~
\$80,719,000
General Fund -- Federal Appropriation \$477,065,000
General Fund -- Private/Local Appropriation ~~(\$119,875,000)~~
\$135,219,000
Hospital Commission Account -- State Appropriation ~~(\$144,000)~~
\$215,000

Health Professions Account -- State Appropriation	(\$68,726,000)
<u>\$69,054,000</u>	
Aquatic Lands Enhancement Account--State Appropriation	\$600,000
Emergency Medical Services and Trauma Care Systems Trust Account -- State Appropriation	\$12,606,000
Safe Drinking Water Account -- State Appropriation	\$3,041,000
Public Health Services Account--State Appropriation	\$1,000,000
Drinking Water Assistance Account -- Federal Appropriation	\$19,027,000
Waterworks Operator Certification -- State Appropriation	\$1,513,000
Drinking Water Assistance Administrative Account -- State Appropriation	\$326,000
Water Quality Account -- State Appropriation (FY 2008)	\$1,975,000
Water Quality Account -- State Appropriation (FY 2009)	\$1,983,000
State Toxics Control Account -- State Appropriation	\$3,460,000
Medical Test Site Licensure Account -- State Appropriation	\$2,055,000
Youth Tobacco Prevention Account -- State Appropriation	\$1,512,000
Public Health Supplemental Account -- Private/Local Appropriation	\$3,918,000
Accident Account -- State Appropriation	\$291,000
Medical Aid Account -- State Appropriation	\$48,000
Health Services Account -- State Appropriation (FY 2008)	\$42,122,000
Health Services Account -- State Appropriation (FY 2009)	(\$49,729,000)
<u>\$46,398,000</u>	
Tobacco Prevention and Control Account -- State Appropriation	(\$52,846,000)
<u>\$47,846,000</u>	
TOTAL APPROPRIATION	(\$1,025,690,000)
<u>\$1,033,225,000</u>	

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

(1) The department is authorized to raise existing fees charged for its fee-supported programs in excess of the fiscal growth factor pursuant to RCW 43.135.055, if necessary, to meet the actual costs of conducting business and the appropriation levels in this section. Pursuant to RCW 43.135.055 and RCW 43.70.250, the department is further authorized to increase fees in its fee-supported programs as necessary to meet the actual costs of conducting business and the appropriation levels in this section, as specifically authorized in LEAP Document DOH-2008, as developed by the legislative evaluation and accountability program on March 11, 2008.

(2) The department of health shall not initiate any services that will require expenditure of

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

(3) \$877,000 of the health professions account appropriation is provided solely for implementation of Substitute House Bill No. 1099 (dental professions). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(4) \$198,000 of the general fund--state appropriation for fiscal year 2008 and \$24,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the implementation of Substitute House Bill No. 2304 (cardiac care services). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(5) \$138,000 of the general fund--state appropriation for fiscal year 2008 and \$220,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for an evaluation of chronic care provider training.

(6) \$51,000 of the general fund--state appropriation for fiscal year 2008 and \$24,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the implementation of Engrossed Substitute Senate Bill No. 5297 (sex education). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(7) \$103,000 of the general fund--state appropriation for fiscal year 2008 is provided solely for the implementation of Substitute House Bill No. 1837 (nonambulatory persons). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(8) \$201,000 of the general fund--private/local appropriation is provided solely for the implementation of Substitute House Bill No. 2087 (health care facilities). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(9) \$293,000 of the general fund--state appropriation for fiscal year 2008 and \$287,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for public service announcements regarding childhood lead poisoning, information pamphlets, rule development, and for early identification of persons at risk of having elevated blood-lead levels, which includes systematically screening children under six years of age and other target populations identified by the department. Priority will be given to testing children and increasing the registry in the lead surveillance program.

(10) \$101,000 of the general fund--state appropriation for fiscal year 2008, \$81,000 of the general fund--state appropriation for fiscal year 2009, and \$6,000 of the general fund--private/local appropriation are provided solely for the implementation of Engrossed Second Substitute House Bill No. 1414 (ambulatory surgical facilities). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(11) \$55,000 of the health professions account appropriation is provided solely for the implementation of Substitute House Bill No. 1397 (massage therapy). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(12) \$58,000 of the general fund--private/local appropriation is provided solely for the implementation of Senate Bill No. 5398 (specialty hospitals). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(13) \$34,000 of the general fund--state appropriation for fiscal year 2008, \$44,000 of the general fund--state appropriation for fiscal year 2009, and \$224,000 of the oyster reserve land account--state appropriation are provided solely for the implementation of Engrossed Substitute Senate Bill No. 5372 (Puget Sound partnership). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(14) \$571,000 of the general fund--state appropriation for fiscal year 2008 and \$458,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the implementation of Second Substitute House Bill No. 1106 (hospital acquired infections). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(15) \$4,000,000 of the general fund--state appropriation for fiscal year 2008, \$5,000,000 of the general fund--state appropriation for fiscal year 2009, and \$1,000,000 of the public health services account--state appropriation are provided solely for department of health-funded family planning clinics to increase the capacity of the clinics to provide family planning and reproductive health services to low-income men and women who are not otherwise eligible for services through the department of social and health services medical assistance program and for clinical or other health services associated with sexually transmitted disease testing through the infertility prevention project. Funds appropriated and expended under this subsection for fiscal year 2009 shall be distributed in a manner that allocates funding to department of health-funded family planning clinics based upon the percentage of medical assistance family planning waiver clients in calendar year 2005 who received services from a provider located in the geographic area served by the department of health-funded clinic. Of these amounts, the department is authorized to expend up to \$1,000,000 of its general fund--state appropriation for fiscal year 2009 for services provided in fiscal year 2008, if necessary, to offset reductions in federal funding.

(16) \$1,000,000 of the general fund--state appropriation for fiscal year 2008 is for one-time funding to purchase and store antiviral medications to be used in accordance with the state pandemic influenza response plan. These drugs are to be purchased through the United States department of health and human services to take advantage of federal subsidies.

(17) \$147,000 of the general fund--state appropriation for fiscal year 2008 and \$32,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the department of health to provide relevant information on measures taken to facilitate expanded use of reclaimed water pursuant to Engrossed Second Substitute Senate Bill No. 6117 (reclaimed water). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(18) \$550,000 of the general fund--state appropriation for fiscal year 2008 and \$550,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the lifelong AIDS alliance to restore lost federal funding.

(19) \$250,000 of the general fund--state appropriation for fiscal year 2008 and \$250,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for medical nutritional therapy for people with HIV/AIDS and other low-income residents in King county with chronic illnesses.

(20) \$645,000 of the general fund--state appropriation for fiscal year 2008 and \$645,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the neurodevelopmental center system, which provides therapy and medical services for young, low-

income children with developmental disabilities.

(21) \$100,000 of the general fund--state appropriation for fiscal year 2008 is provided solely to continue the autism task force established by chapter 259, Laws of 2005, through June 30, 2008. The task force shall:

(a) Review and continue to refine criteria for regional autism centers throughout Washington state based on community needs in each area, and address the role of autism centers within the larger context of developmental disabilities;

(b) Prioritize its December 2006 recommendations and develop an implementation plan for the highest priorities. The plan should detail how systems will coordinate to improve service and avoid duplication between state agencies including the department of social and health services, department of health, office of superintendent of public instruction, as well as school districts, autism centers, and local partners and providers. The plan shall also estimate the costs of the highest priority recommendations and report to the legislature and governor by December 1, 2007;

(c) Compile information for and draft the "Washington Service Guidelines for Individuals with Autism - Birth Through Lifespan" book described in the task force's recommendations. Funding to print and distribute the book is expected to come from federal or private sources; and

(d) Monitor the federal combating autism act and its funding availability and make recommendations on applying for grants to assist in implementation of the 2006 task force recommendations. The department of health shall be the lead agency in providing staff for the task force. The department may seek additional staff assistance from the office of the superintendent of public instruction and the committee staff of the legislature. Nonlegislative members, except those representing an employer or organization, are entitled to be reimbursed for travel expenses.

(22) \$200,000 of the general fund--state appropriation for fiscal year 2008 and \$200,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for implementation of the Washington state hepatitis C strategic plan.

(23) \$142,000 of the health professions account appropriation is provided solely for the implementation of Engrossed Substitute Senate Bill No. 5403 (animal massage practitioners). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(24) \$174,000 of the health professions account appropriation is provided solely for the implementation of Substitute Senate Bill No. 5503 (athletic trainers). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(25) \$75,000 of the health professions account appropriation is provided solely for the implementation of Engrossed Substitute Senate Bill No. 5292 (physical therapist assistants). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(26) \$94,000 of the general fund--state appropriation for fiscal year 2008 is provided solely to implement Engrossed Second Substitute Senate Bill No. 6032 (medical use of marijuana). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(27) \$386,000 of the general fund--state appropriation for fiscal year 2008 and \$384,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the implementation of Engrossed Substitute Senate Bill No. 5894 (large on-site sewage systems). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(28) \$1,721,000 of the health professions account appropriation is provided solely for the implementation of sections 11 and 12 (medical information) of Engrossed Second Substitute Senate Bill No. 5930 (blue ribbon commission on health care). If the sections are not enacted by

June 30, 2007, the amount provided in this subsection shall lapse.

(29) \$10,000,000 of the health services account--state appropriation for fiscal year 2008 and \$10,000,000 of the health services account--state appropriation for fiscal year 2009 are provided solely for distribution to local health jurisdictions and for the costs of administering the public health related sections of Engrossed Second Substitute Senate Bill No. 5930 (blue ribbon commission on health care), subject to the following conditions and limitations:

(a) During the month of January 2008, and January 2009, the department of health shall distribute funds appropriated in this section to local health jurisdictions, less an amount not to exceed five percent for the costs of administering the public health related sections of Engrossed Second Substitute Senate Bill No. 5930 (blue ribbon commission on health care). The amount of funding for distribution to a jurisdiction before the administrative deduction shall be the greater of: (i) One hundred thousand dollars; or (ii) (A) a base level of funding of seventy-five thousand dollars plus the per capita amount, for a jurisdiction with a population of four hundred thousand persons or fewer; or (B) a base level of funding of twenty-five thousand dollars plus the per capita amount, for a jurisdiction with a population greater than four hundred thousand persons. Amounts distributed under this subsection must be used to fund core public health functions of statewide significance as defined in Engrossed Second Substitute Senate Bill No. 5930 (blue ribbon commission on health care).

(b) For the purposes of this subsection:

(i) "Per capita amount" means an amount equal to seven million five hundred thousand dollars multiplied by the proportion of the population of the jurisdiction in the previous calendar year to the population of the state in the previous calendar year.

(ii) "Population" means the number of persons as last determined by the office of financial management. If the jurisdiction comprises a single county, "population" means the number of persons in the county. For a jurisdiction comprising two or more counties, "population" means the number of persons in all counties comprising the jurisdiction.

(iii) "Local health jurisdiction" or "jurisdiction" means a county board of health organized under chapter 70.05 RCW, a health district organized under chapter 70.46 RCW, or a combined city and county health department organized under chapter 70.08 RCW.

(c) The department may adopt rules necessary to administer this subsection.

(30) \$15,000 of the general fund--state appropriation for fiscal year 2008 and \$35,000 of the health professions account--state appropriation are provided solely for an evaluation of the economic benefits to the state's health care system of the midwifery licensure and regulatory program under chapter 18.50 RCW. In particular, the department shall contract with a consultant to conduct a review of existing research literature on whether these economic benefits exceed the state expenditures to subsidize the cost of the midwifery licensing and regulatory program under RCW 43.70.250. The evaluation shall include an assessment of the economic benefits to consumers who elect to have out-of-hospital births with midwives, including any reduced use of procedures that increase the costs of childbirth. The department shall submit the report to the appropriate policy and fiscal committees of the legislature by January 1, 2008.

(31) \$147,000 of the health professions account--state appropriation is provided solely for the department of health to convene a work group to develop recommendations regarding the need to regulate those individuals currently registered with the department of health as counselors. The department of health shall submit recommendations of the work group to the legislature and governor by November 15, 2007. Based on the recommendations of the work group, the department of health shall draft credentialing guidelines for all registered counselors by January

1, 2008. Guidelines shall include education in risk assessment, ethics, professional standards, and deadlines for compliance.

(32) \$100,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for the implementation of Second Substitute Senate Bill No. 6483 (local food production). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(33) \$400,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for the senior falls prevention pilot program, pursuant to section 7 of Engrossed Second Substitute House Bill No. 2668 (long-term care programs).

(34) \$585,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for the Washington state breast and cervical health program to increase the provider reimbursement rate for digital mammographies to the medicare equivalent rate.

(35) \$100,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for the child death review program. The program shall be transferred from the community and family health division to the injury prevention division within the department.

(36) \$100,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for the northwest sickle cell collaborative program.

(37) \$77,000 of the general fund--state appropriation for fiscal year 2008 and \$154,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the restoration of maxillofacial/cleft palate teams in Yakima, Spokane, Seattle, and Tacoma.

(38) \$17,000 of the health professions account--state appropriation is provided solely to implement Second Substitute Senate Bill No. 6220 (nurse delegation) or sections 11 and 12 of Engrossed Second Substitute House Bill No. 2668 (long-term care programs). If neither bill is enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(39) \$11,000 of the health professions account--state appropriation is provided solely to implement Substitute Senate Bill No. 6439 (radiologist assistants). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(40) \$115,000 of the general fund--state appropriation for fiscal year 2009 and \$4,261,000 of the health professions account--state appropriation are provided solely for implementation of Fourth Substitute House Bill No. 1103 (health professions). If the bill is not enacted by June 30, 2008, the amounts provided in this subsection shall lapse.

(41) \$558,000 of the health professions account--state appropriation is provided solely for implementation of Second Substitute House Bill No. 2674 (counselor credentialing). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(42) The department of licensing and the department of health shall jointly review and report to the appropriate policy committees of the legislature by December 1, 2008, recommendations for implementing a process of holding in abeyance for up to six months following the conclusion of active duty service the expiration of, and currency requirements for, professional licenses and certificates for individuals who have been called to active duty military service.

(43) The higher education coordinating board, the department of licensing, and the department of health shall jointly review and report to appropriate policy committees of the legislature by December 1, 2008, on barriers and opportunities for increasing the extent to which veterans separating from duty are able to apply skills sets and education required while in service to certification, licensure, and degree requirements.

(44) \$35,000 of the general fund--state appropriation for fiscal year 2009 and \$80,000 of the state toxics control account--state appropriation for fiscal year 2009 are provided solely for the implementation of Engrossed Second Substitute House Bill No. 2647 (children's safe products).

If the bill is not enacted by June 30, 2008, the amounts provided in this subsection shall lapse.

(45) \$143,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for Substitute Senate Bill No. 6340 (water system program). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(46) \$194,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for Engrossed Second Substitute House Bill No. 2549 (patient-centered care). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(47) \$96,000 of the health professions account--state appropriation is provided solely for the implementation of Substitute House Bill No. 2881 (practice of dentistry). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(48) \$130,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for the midwifery licensure and regulatory program to offset a reduction in revenue from fees. There shall be no change to the current annual fees for new or renewed licenses for the midwifery program. The department shall convene the midwifery advisory committee on a quarterly basis to address issues related to licensed midwifery.

(49) \$900,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for the Washington colon health program. Through the program, the department shall provide grants to participating counties to provide free colorectal screening exams to individuals fifty to sixty-four years old who are below two hundred fifty percent of the federal poverty level.

(50) In addition to other reductions, the reduced appropriations in this section reflect an additional \$90,000 reduction in administrative costs required by Engrossed Substitute Senate Bill No. 5460 (reducing 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.

Sec. 1120 2008 c 329 s 223 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF CORRECTIONS. ~~((+))~~ The appropriations to the department of corrections in this act shall be expended for the programs and in the amounts specified herein. However, after May 1, ~~((2008))~~ 2009, 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 ~~((2008))~~ 2009 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.~~

~~—(2) The department may transfer up to \$15,000,000 of the general fund—state appropriation for fiscal year 2009 into fiscal year 2008, if deemed necessary by the department and approved in advance by the director of financial management. The director of financial management shall notify the fiscal committees of the legislature in writing seven days prior to approving a transfer under this subsection. The written notification shall include a narrative explanation and justification of the transfer including allotment detail by program, budget object, and budget unit for both fiscal years, both before and after any transfers).~~

Sec. 1121 2009 c 4 s 222 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF CORRECTIONS

(1) ADMINISTRATION AND SUPPORT SERVICES

General Fund -- State Appropriation (FY 2008)	\$57,545,000
General Fund -- State Appropriation (FY 2009)	(\$52,652,000)
	<u>\$52,320,000</u>
Washington Auto Theft Prevention Authority Account-- State Appropriation	\$169,000
Violence Reduction and Drug Enforcement Account--State Appropriation (FY 2008)	\$13,000
Violence Reduction and Drug Enforcement Account -- State Appropriation (FY 2009)	\$13,000
Public Safety and Education Account--State Appropriation (FY 2008)	\$1,467,000
Public Safety and Education Account--State Appropriation (FY 2009)	\$1,481,000
Pension Funding Stabilization Account--State Appropriation	\$1,280,000
TOTAL APPROPRIATION	(\$114,620,000)
	<u>\$114,288,000</u>

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

(a) \$9,389,000 of the general fund--state appropriation for fiscal year 2008 is provided solely for the completion of phase three of the department's offender-based tracking system replacement project. This amount is conditioned on the department satisfying the requirements of section 902 of this act.

(b) \$35,000 of the general fund--state appropriation for fiscal year 2008 and \$35,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the establishment and 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 begin to 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.

(c) \$169,000 of the Washington auto theft prevention authority account--state appropriation for fiscal year 2008 is provided solely for the implementation of Engrossed Third Substitute House Bill No. 1001 (auto theft). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(d) \$102,000 of the general fund--state appropriation for fiscal year 2008 and \$95,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the implementation of Engrossed Second Substitute House Bill No. 1422 (incarcerated parents). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(e) 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.

(f) \$314,000 of the general fund--state appropriation for fiscal year 2008 and \$294,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for four additional staff to collect and analyze data for programs funded through the offender reentry initiative and collect, analyze, and disseminate information required by the GMAP process, performance audits, data requests, and quality assessments and assurances.

(g) \$32,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for implementation of Substitute Senate Bill No. 6244 (conversion of facilities to house violators of community supervision). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(h) \$150,000 of the general fund--state appropriation for fiscal year 2009 is provided solely to implement Engrossed Second Substitute House Bill No. 2712 (criminal street gangs). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(2) CORRECTIONAL OPERATIONS

General Fund -- State Appropriation (FY 2008)	(\$601,402,000)
<u>\$616,402,000</u>	
General Fund -- State Appropriation (FY 2009)	(\$647,608,000)
<u>\$655,534,000</u>	
General Fund -- Federal Appropriation	(\$4,157,000)
<u>\$3,941,000</u>	
Public Safety and Education Account--State Appropriation (FY 2008)	\$1,050,000
Public Safety and Education Account--State Appropriation (FY 2009)	\$1,350,000
Washington Auto Theft Prevention Authority Account-- State Appropriation	\$1,338,000
Violence Reduction and Drug Enforcement Account -- State Appropriation (FY 2008)	\$1,492,000
Violence Reduction and Drug Enforcement Account -- State Appropriation (FY 2009)	\$1,492,000
Pension Funding Stabilization Account--State Appropriation	\$11,800,000
TOTAL APPROPRIATION	(\$1,271,689,000)
<u>\$1,294,399,000</u>	

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

(c) The department shall accomplish personnel reductions with the least possible impact on correctional custody staff, community custody staff, and correctional industries. For the purposes

of this subsection, correctional custody staff means employees responsible for the direct supervision of offenders.

(d) During the 2007-09 biennium, when contracts are established or renewed for offender pay phone and other telephone services provided to inmates, the department shall select the contractor or contractors primarily based on the following factors: (i) The lowest rate charged to both the inmate and the person paying for the telephone call; and (ii) the lowest commission rates paid to the department, while providing reasonable compensation to cover the costs of the department to provide the telephone services to inmates and provide sufficient revenues for the activities funded from the institutional welfare betterment account.

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

(f) \$358,000 of the Washington auto theft prevention authority account--state appropriation for fiscal year 2008 and \$980,000 of the Washington auto theft prevention authority account--state appropriation for fiscal year 2009 are provided solely for the implementation of Engrossed Third Substitute House Bill No. 1001 (auto theft). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(g) \$22,000 of the general fund--state appropriation for fiscal year 2008 and \$22,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the implementation of Substitute House Bill No. 1097 (vulnerable adults). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(h) \$22,000 of the general fund--state appropriation for fiscal year 2008 and \$22,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the implementation of Substitute House Bill No. 1319 (correctional agency employee). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(i) \$87,000 of the general fund--state appropriation for fiscal year 2008 and \$87,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the implementation of House Bill No. 1592 (sentence review board). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(j) \$544,000 of the general fund--state appropriation for fiscal year 2008 and \$496,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for development of individual reentry plans to prepare offenders for release into the community as generally described in Engrossed Substitute Senate Bill No. 6157 (offender recidivism). Individual reentry plans shall be based on an assessment of the offender using a standardized and comprehensive tool. The individual reentry plan may be one document, or may be a series of individual plans that combine to meet the requirements. The individual reentry plan shall, at a minimum, include:

(i) A plan to maintain contact with the inmate's children and family, if appropriate. The plan should determine whether parenting classes, or other services, are appropriate;

(ii) A description of the offender's education, certifications, work experience, skills, and training; and

(iii) A plan for the offender during the period of incarceration through reentry into the community that addresses the needs of the offender including education, employment, substance abuse treatment, mental health treatment, and family reunification. The individual reentry plan shall be updated as appropriate during the period of incarceration, and prior to the inmate's release to address public safety concerns, consistency with the offender risk management level assigned by the department, housing, and connecting with a community justice center in the area

in which the offender will be residing, if a community justice center is located in that area.

(iv) If the appropriation in this subsection is not sufficient for this program, the department shall prioritize the use of available funds.

(3) COMMUNITY SUPERVISION

General Fund -- State Appropriation (FY 2008)	\$133,157,000
General Fund -- State Appropriation (FY 2009)	(\$145,881,000)
<u>\$146,344,000</u>	
General Fund--Federal Appropriation	\$416,000
Public Safety and Education Account--State Appropriation (FY 2008)	\$9,319,000
Public Safety and Education Account--State Appropriation (FY 2009)	\$9,370,000
Pension Funding Stabilization Account--State Appropriation	\$2,800,000
TOTAL APPROPRIATION	(\$300,943,000)
<u>\$301,406,000</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) For the acquisition of properties and facilities, the department of corrections is authorized to enter into financial contracts, paid for from operating resources, for the purposes indicated and in not more than the principal amounts indicated, plus financing expenses and required reserves pursuant to chapter 39.94 RCW. This authority applies to the following: Lease-develop with the option to purchase or lease-purchase work release beds in facilities throughout the state for \$8,561,000.

(c) \$1,167,000 of the general fund--state appropriation for fiscal year 2008 and \$2,295,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the establishment and operation of community justice centers by the department as generally described in Engrossed Substitute Senate Bill No. 6157 (offender recidivism). At a minimum, a community justice center shall include:

- (i) A violator program to allow the department to utilize a range of available sanctions for offenders who violate conditions of their supervision;
- (ii) An employment opportunity program to assist an offender in finding employment;
- (iii) On-site services or resources for connecting offenders with services such as mental health and substance abuse treatment, transportation, training, family reunification, and community services; and

(iv) The services of a transition coordinator to facilitate connections between the former offender and the community. The transition coordinator shall provide information to former offenders regarding services available to them in the community including, but not limited to housing assistance, employment assistance, education, vocational training, parent education, financial literacy, treatment for substance abuse, mental health, anger management, and shall assist offenders in their efforts to access needed services.

(v) If the appropriation in this subsection is not sufficient for this program, the department shall prioritize the use of available funds.

(4) CORRECTIONAL INDUSTRIES

General Fund -- State Appropriation (FY 2008)	\$1,001,000
General Fund -- State Appropriation (FY 2009)	\$2,357,000
TOTAL APPROPRIATION	\$3,358,000

The appropriations in this subsection are subject to the following conditions and limitations: \$124,000 of the general fund--state appropriation for fiscal year 2008 and \$132,000 of the general fund--state appropriation for fiscal year 2009 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 2008)	\$35,036,000
General Fund -- State Appropriation (FY 2009)	(\$28,082,000)
	<u>\$29,043,000</u>
TOTAL APPROPRIATION	(\$63,118,000)
	<u>\$64,079,000</u>

The appropriations in this subsection are subject to the following conditions and limitations: \$35,000 of the general fund--state appropriation for fiscal year 2008 is provided solely for expenditures related to the *Farrakhan v. Locke* litigation.

Sec. 1122 2009 c 4 s 223 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SERVICES FOR THE BLIND

General Fund -- State Appropriation (FY 2008)	\$2,566,000
General Fund -- State Appropriation (FY 2009)	\$2,375,000
General Fund -- Federal Appropriation	(\$17,584,000)
	<u>\$18,757,000</u>
General Fund -- Private/Local Appropriation	\$20,000
TOTAL APPROPRIATION	(\$22,545,000)
	<u>\$23,718,000</u>

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

- (1) \$4,000 of the general fund--state appropriation for fiscal year 2008 and \$4,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for an adjustment to the agency lease rate for space occupied and parking in the Tacoma Rhodes center. The department of general administration shall increase lease rates to meet the cash gain/loss break-even point for the Tacoma Rhodes center effective July 1, 2007.
- (2) The department shall not reduce and shall continue to provide funding for contracted services that provide employment support and help with life activities for deaf and blind individuals in King county.

Sec. 1123 2009 c 4 s 225 (uncodified) is amended to read as follows:

FOR THE EMPLOYMENT SECURITY DEPARTMENT

General Fund -- State Appropriation (FY 2008)	\$60,000
General Fund -- State Appropriation (FY 2009)	\$272,000
General Fund -- Federal Appropriation	(\$264,967,000)
	<u>\$320,249,000</u>
General Fund -- Private/Local Appropriation	\$33,578,000
Unemployment Compensation Administration Account -- Federal Appropriation	(\$252,907,000)
	<u>\$273,138,000</u>
Administrative Contingency Account -- State Appropriation	\$22,802,000
Employment Service Administrative Account -- State Appropriation	\$33,843,000
Family Leave Insurance Account--State Appropriation	\$1,764,000
TOTAL APPROPRIATION	(\$610,193,000)
	<u>\$685,706,000</u>

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

- (1) \$4,578,000 of the unemployment compensation administration account -- federal appropriation is provided from funds made available to the state by section 903(d) of the social security act (Reed Act). These funds are authorized to provide direct services to unemployment insurance claimants and providing job search review.
- (2) \$2,300,000 of the unemployment compensation administration account--federal appropriation is provided from amounts made available to the state by section 903(d) of the social security act (Reed Act). This amount is authorized to continue implementation of chapter 4, Laws of 2003 2nd sp. sess. and for implementation costs relating to chapter 133, Laws of 2005 (unemployment insurance).
- (3) \$23,162,000 of the unemployment compensation administration account--federal appropriation is provided from amounts made available to the state by section 903(d) of the social security act (Reed Act). This amount is authorized to continue current unemployment insurance functions and department services to employers and job seekers.
- (4) \$372,000 of the administrative contingency account--state appropriation is provided solely to implement Substitute Senate Bill No. 5653 (self-employment). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.
- (5) \$12,054,000 of the unemployment compensation administration account--federal appropriation is provided from amounts made available to the state by section 903(d) of the social security act (Reed act). This amount is authorized to fund the unemployment insurance tax information system (TAXIS) technology initiative for the employment security department.
- (6) \$430,000 of the unemployment compensation administration account--federal appropriation is provided from amounts made available to the state by section 903(d) of the social security act (Reed act). This amount is authorized to replace high-risk servers used by the unemployment security department.
- (7) \$503,000 of the unemployment compensation administration account--federal appropriation is provided from amounts made available to the state by section 903(d) of the social security act (Reed act). This amount is authorized to provide a system to track computer

upgrades and changes for the unemployment security department.

(8) \$183,000 of the unemployment compensation administration account--federal appropriation is provided from the amounts made available to the state by section 903(d) of the social security act (Reed Act). This amount is authorized to conduct a feasibility study to integrate job search data systems.

(9) \$2,331,000 of the unemployment compensation administration account--federal appropriation is provided from amounts made available to the state by section 903(d) of the social security act (Reed Act). This amount is authorized for hardware and software to ensure the ongoing, reliable operation of the telecenters.

(10) \$488,000 of the unemployment compensation administration account--federal appropriation is provided from amounts made available to the state by section 903(d) of the social security act (Reed Act). This amount is authorized for the relocation of the WorkSource office in Lakewood.

(11) \$1,764,000 of the family leave insurance account--state appropriation is provided solely for implementation of the family leave insurance program.

~~((a) The amount provided in this subsection assumes that, in developing the information technology systems to support the payment of benefits, the department will incorporate the claim filing and benefit payment efficiencies recommended by the joint legislative task force on family leave insurance in Part III of its final report dated January 23, 2008, including:~~

~~—(i) Eliminating the option for awarding attorney fees and costs for administrative hearings;~~

~~—(ii) Authorizing claims for benefits to be filed in the six week period beginning on the first day of the calendar week in which the individual is on family leave;~~

~~—(iii) Not requiring claimants to verify the birth of a child or the placement of a child for adoption;~~

~~—(iv) Including an attestation from the claimant that written notice has been provided to the employer of the intention to take family leave; and~~

~~—(v) Not deducting and withholding federal income taxes from benefit payments.~~

~~(b) In addition, the department shall incorporate the following claim filing and benefit payment efficiencies:~~

~~—(i) Define "qualifying year" to mean the first four of the last five completed calendar quarters or, if eligibility is not established, the last four completed calendar immediately preceding the first day of the application year;~~

~~—(ii) Allow individuals to file a claim for benefits in the six week period beginning on the first day of the calendar year in which the individual is on family leave; and~~

~~—(iii) After an initial family leave insurance benefit is paid, subsequent payments must be made biweekly, rather than semimonthly, thereafter.))~~

(12) \$222,000 of the general fund--state appropriation for fiscal year 2009 is provided solely to implement Engrossed Second Substitute House Bill No. 2815 (greenhouse gas emissions). If the bill is not enacted by June 30, 2008, the amounts provided in this subsection shall lapse.

(13) \$155,000 of the unemployment compensation administration account--federal appropriation is provided solely to implement Second Substitute Senate Bill No. 6732 (construction industry). If the bill is not enacted by June 30, 2008, the amounts provided in this subsection shall lapse.

(End of part)

**PART XII
NATURAL RESOURCES**

Sec. 1201 2009 c 4 s 301 (uncodified) is amended to read as follows:

FOR THE COLUMBIA RIVER GORGE COMMISSION

General Fund -- State Appropriation (FY 2008)	\$524,000
General Fund -- State Appropriation (FY 2009)	\$509,000
General Fund -- Federal Appropriation	\$9,000
General Fund -- Private/Local Appropriation	(\$1,044,000)
<u>\$1,017,000</u>	
TOTAL APPROPRIATION	(\$2,086,000)
<u>\$2,059,000</u>	

Sec. 1202 2009 c 4 s 302 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund -- State Appropriation (FY 2008)	\$50,109,000
General Fund -- State Appropriation (FY 2009)	(\$45,748,000)
<u>\$45,561,000</u>	
General Fund -- Federal Appropriation	\$83,013,000
General Fund -- Private/Local Appropriation	\$13,618,000
Special Grass Seed Burning Research	
Account -- State Appropriation	\$14,000
Reclamation Account -- State Appropriation	\$4,207,000
Flood Control Assistance Account -- State Appropriation	\$4,151,000
Aquatic Lands Enhancement Account--State Appropriation	\$400,000
State Emergency Water Projects Revolving	
Account -- State Appropriation	\$390,000
Waste Reduction/Recycling/Litter	
Control -- State Appropriation	\$19,588,000
State Drought Preparedness -- State Appropriation	\$115,000
State and Local Improvements Revolving Account	
(Water Supply Facilities) -- State Appropriation	\$421,000
Vessel Response Account -- State Appropriation	\$1,604,000
Freshwater Aquatic Algae Control Account -- State	
Appropriation	\$509,000
Site Closure Account -- State Appropriation	\$694,000
Water Quality Account -- State Appropriation	
(FY 2008)	\$15,137,000
Water Quality Account -- State Appropriation	
(FY 2009)	\$16,493,000
Wood Stove Education and Enforcement Account -- State	
Appropriation	\$370,000
Worker and Community Right-to-Know Account -- State	
Appropriation	\$2,247,000
State Toxics Control Account -- State Appropriation	(\$99,235,000)
<u>\$95,125,000</u>	

State Toxics Control Account -- Private/Local	
Appropriation	\$381,000
Local Toxics Control Account -- State Appropriation	\$20,952,000
Water Quality Permit Account -- State Appropriation	\$34,022,000
Underground Storage Tank Account -- State	
Appropriation	\$3,635,000
Biosolids Permit Account -- State Appropriation	\$1,396,000
Hazardous Waste Assistance Account -- State	
Appropriation	\$5,834,000
Air Pollution Control Account -- State Appropriation	\$6,306,000
Oil Spill Prevention Account -- State Appropriation	\$12,205,000
Air Operating Permit Account -- State Appropriation	\$2,680,000
Freshwater Aquatic Weeds Account -- State Appropriation	\$1,690,000
Oil Spill Response Account -- State Appropriation	\$7,078,000
Metals Mining Account -- State Appropriation	\$14,000
Water Pollution Control Revolving Account -- State	
Appropriation	\$464,000
Water Pollution Control Revolving Account -- Federal	
Appropriation	\$2,271,000
Columbia River Water Delivery Account--State	
Appropriation	\$2,150,000
TOTAL APPROPRIATION	(\$459,141,000))
<u>\$454,844,000</u>	

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) \$256,000 of the general fund--state appropriation for fiscal year 2008, \$209,000 of the general fund--state appropriation for fiscal year 2009, and \$200,000 of the general fund--private local appropriation are provided solely to implement activities associated with a regional haze program. Funds shall be collected and expended in accordance with the terms of the contract entered into with affected businesses and the department of ecology.

(3) \$2,000,000 of the local toxics control account--state appropriation is provided solely to local governments outside of Puget Sound for municipal storm water programs, including but not limited to, implementation of phase II municipal storm water permits, source control for toxics in association with cleanup of contaminated sediment sites, and source control programs for shellfish protection districts where storm water is a significant contributor.

(4) Fees approved by the department of ecology in the 2007-09 biennium are authorized to exceed the fiscal growth factor under RCW 43.135.055. Pursuant to RCW 43.135.055, the department is further authorized to increase the following fees in fiscal year 2009 as necessary to meet the actual costs of conducting business and the appropriation levels in this section: Wastewater discharge permit, not more than 5.57 percent; dam periodic inspection permit, not more than 5.57 percent; dam construction permit, not more than 5.57 percent; and mixed waste management, not more than 14.14 percent.

(5) \$1,000,000 of the general fund -- state appropriation for fiscal year 2008 and \$927,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to improve the performance of wetland mitigation. Of this amount, \$55,000 of the general fund--state appropriation for fiscal year 2008 and \$55,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to support a wetland in Whatcom county. The program will engage local, state, and federal agencies, private investors, property owners, and others in the creation of one or more wetland banks and other measures to protect habitat functions and values while accommodating urban growth in the region. Priority shall be given to state and local government partnerships for wetland characterization. The department shall issue a report of its findings and recommendations on how wetland mitigation success can be improved to the office of financial management and the appropriate policy committees of the legislature.

(6) \$260,000 of the state toxics control account -- state appropriation is provided solely to support pesticide container recycling activities in Washington.

(7) \$250,000 of the general fund--state appropriation for fiscal year 2008 and \$250,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for a pilot project to provide grants to two local government jurisdictions located in the Puget Sound area to improve compliance with existing environmental laws. Grant funds shall be used for providing information on existing requirements, providing technical assistance necessary to comply on a voluntary basis, and taking enforcement action.

(8) \$1,257,000 of the reclamation account--state appropriation is provided solely to implement Substitute Senate Bill No. 5881 (water power license fees). If the bill is not enacted by June 30, 2007, the amount provided in this section shall lapse.

(9) \$694,000 of the underground storage tank account--state appropriation is provided solely to implement Substitute Senate Bill No. 5475 (underground storage tanks). If the bill is not enacted by June 30, 2007, the amount provided in this section shall lapse.

(10) \$2,026,000 of the local toxics control account--state appropriation is provided solely for local governments located near hazardous waste clean-up sites, including Duwamish Waterway, Commencement Bay, and Bellingham Bay, to work with small businesses and citizens to safely manage hazardous and solid wastes to prevent the contamination.

(11) \$876,000 of the state toxics control account and \$876,000 of the local toxics control account are provided solely for public participation grants related to toxic cleanup sites within and around Puget Sound.

(12) \$831,000 of the general fund--state appropriation for fiscal year 2008 and \$669,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to implement watershed plans. Of this amount, \$313,650 of the general fund--state appropriation for fiscal year 2008 and \$529,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to support the implementation of the WRIA 1 watershed plan and the Bertrand watershed improvement district plan, including but not limited to implementation of the Nooksack River basin stream gauging program, study of the feasibility of a public utility district pipeline in the Bertrand watershed, study and construction of water storage and augmentation in the Bertrand watershed, and preparation and development of the next subbasin watershed plan agreed to by the Bertrand instream flow policy group.

(13) \$75,000 of the general fund--state appropriation for fiscal year 2008 and \$75,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to implement Second Substitute House Bill No. 2220 (shellfish). The department shall develop, by rule, guidelines for the appropriate siting and operation of geoduck aquaculture operations to be included in any

master program under the shorelines management act. If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(14) \$15,000 of the general fund--state appropriation for fiscal year 2008 and \$15,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for convening a stakeholder group to recommend establishing a sustainable statewide regional CBRNE/Hazmat response capability.

(15) \$100,000 of the general fund--state appropriation for fiscal year 2008 and \$100,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to implement key recommendations and actions identified in the "Washington's Ocean Action Plan: Enhancing Management of Washington State's Ocean and Outer Coast". The department shall provide a progress report on implementing this plan to the appropriate policy committees of the legislature by December 31, 2008.

(16) \$464,000 of the general fund--state appropriation for fiscal year 2008 and \$136,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to implement Engrossed Substitute Senate Bill No. 6001 (climate change). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(17) \$75,000 of the general fund--state appropriation for fiscal year 2008 and \$75,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the department to oversee beach seaweed removal in the west Seattle Fauntleroy community. The department may spend up to \$25,000 of this amount for its cost of administration.

(18) \$693,000 of the state toxics control account is provided solely for implementation of Senate Bill No. 5421 (environmental covenants). If the bill is not enacted by June 30, 2007, the amount provided in this section shall lapse.

(19) \$99,000 of the general fund--state appropriation for fiscal year 2008 and \$100,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for a marshland study of key areas of salmon habitat along the Snohomish river estuary.

(20) \$196,000 of the general fund--state appropriation for fiscal year 2008, \$132,000 of the general fund--state appropriation for fiscal year 2009, and \$19,000 of the oil spill prevention account appropriation are provided solely to implement Engrossed Substitute Senate Bill No. 5372 (Puget Sound partnership). If the bill is not enacted by June 30, 2007, the department shall execute activities as described in Engrossed Substitute Senate Bill No. 5372 (Puget Sound partnership).

(21) \$150,000 of the general fund--state appropriation for fiscal year 2008 is provided solely for the department to contract with the U.S. institute for environmental conflict resolution, a federal agency, to develop a pilot water management process with three federally recognized treaty Indian tribes. \$50,000 of the general fund--state appropriation for fiscal year 2008 is provided solely for the northwest Indian fisheries commission to help establish the pathway for the process in federal agencies.

(22) \$150,000 of the general fund--state appropriation for fiscal year 2009 is provided solely to continue the pilot water pathways project through the remainder of the biennium. The department will work with the northwest Indian fisheries commission and the U.S. institute on environmental conflict resolution to find resolution on persistent water policy issues between tribes and nontribal entities.

(23) \$319,000 of the general fund--state appropriation for fiscal year 2008 and \$241,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 6117 (reclaimed water). If the

bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(24) \$53,000 of the oil spill prevention account--state appropriation is provided solely for the implementation of Senate Bill No. 5552 (penalties for oil spills). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(25) \$50,000 of the general fund--state appropriation for fiscal year 2008 and \$50,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to the department to convene a shellfish aquaculture regulatory committee, composed of a balanced representation from interested state regulatory agencies, Native American tribes, local governments and the environmental and shellfish farming communities. The group will be facilitated by the office of regulatory assistance and will address federal, state, and local regulatory issues related to shellfish farming.

(26) Within the appropriations provided in this section for the development of water supplies in the Columbia river basin, the department shall assist county governments located east of the crest of the Cascade mountain range that: Have an international border; or border a county with an international boundary and a county with four hundred thousand or more residents, to identify water supply projects to compete for funding from the Columbia river basin water management program. The department shall provide technical assistance as needed to further refine priority projects identified by these counties. The department shall consider and balance regional water supply needs in its funding allocation decisions made as a part of this program.

(27) \$50,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for coordinating with the University of Washington to assess the current energy profile of Washington state pulp and paper mills. The energy consumption and energy generation capability will be determined for both steam and electrical power. In addition, the sources and types of fuels used in various boilers will be assessed.

(28) \$195,000 of the general fund--state appropriation for fiscal year 2009 is provided solely to support a collaborative process to design a proposed comprehensive water management structure for the Walla Walla river basin. The proposed structure should address the allocation of functions, authorities, resource requirements, and issues associated with interstate watershed management of the basin. Invited participants should include but not be limited to the confederated tribes of the Umatilla Indian reservation; appropriate state agencies; and Walla Walla basin interests such as municipalities, irrigation districts, conservation districts, fisheries, agriculture, economic development, and environmental representatives. A report outlining the proposed governance and water management structure shall be submitted to the governor and the appropriate committees of the legislature by November 15, 2008.

(29) \$333,000 of the state toxics control account--state appropriation is provided solely for implementation of Engrossed Second Substitute House Bill No. 2647 (children's safe products). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(30) \$256,000 of the general fund--state appropriation for fiscal year 2008 and \$1,027,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for Engrossed Second Substitute House Bill No. 2815 (reducing greenhouse gases emissions in the Washington economy). In participating in the western climate initiative under Engrossed Second Substitute House Bill No. 2815, the director of the department shall seek to ensure that the design for a regional multisector market-based system confers equitable economic benefits and opportunities to electric utilities operating in Washington by having that system recognize at least the following: (a) Voluntary investments made by Washington utilities in energy efficiency measures; (b) emission reduction benefits that other state and provincial participants in the

western climate initiative derive from consuming renewable energy generated in Washington; and (c) adverse impacts that climate change uniquely has upon the capabilities of hydroelectric power generation. Washington state's representatives to the western climate initiative process shall advocate for a regional multisector market-based design that addresses competitive disadvantages that could be experienced by in-region industries as compared to industries in states or countries that do not have greenhouse gas reduction programs that are substantively equivalent to the system designed under the western climate initiative process. If the bill is not enacted by June 30, 2008, the amounts provided in this subsection shall lapse.

(31) Within the appropriations provided in this section the department shall ensure that standard statewide protocols for surface water monitoring are developed and included in status and trends monitoring to utilize information from other entities, including other state agencies, local governments, and volunteer groups.

(32)(a) \$2,000,000 of the Columbia river water delivery account appropriation is provided solely for distribution to affected counties as defined in Engrossed Second Substitute Senate Bill No. 6874 (Columbia river water) to mitigate for negative impacts caused by releases of Lake Roosevelt water for the purposes described in that bill. The criteria for allocating these funds shall be developed by the department in consultation with affected local governments.

(b) \$150,000 of the Columbia river water delivery account appropriation is provided solely for the department to retain a contractor to perform an independent analysis of legislative options to protect rural communities in northeast Washington from disproportionate economic, agricultural, and environmental impacts when upstream water rights are purchased and transferred for use, or idled and used as mitigation, in a downstream watershed or county. Before retaining a contractor, the department shall consult with affected counties as defined in Engrossed Second Substitute Senate Bill No. 6874 (Columbia river water). The contractor selected shall conduct the independent analysis and develop a report describing options and recommended actions. The department of ecology shall provide the report to the appropriate committees of the legislature by December 1, 2008.

(c) If Engrossed Second Substitute Senate Bill No. 6874 (Columbia river water delivery) is not enacted by June 30, 2008, the amounts provided in this subsection shall lapse.

(33) \$210,000 of the local toxics control account--state appropriation is provided solely to clean up naturally occurring asbestos from Swift Creek.

(34) \$80,000 of the state toxics control account--state appropriation is provided solely for the department to create a stakeholder advisory committee to review and develop recommendations to help businesses achieve a fifty percent toxics reduction use goal. The committee shall: (a) Review and make recommendations to improve the effectiveness and delivery of technical assistance in pollution prevention planning; (b) develop recommendations for strategies to encourage moving away from "end-of-pipe" pollution reduction approaches to increase hazardous waste prevention throughout the state; and (c) review and make recommendations on revising the hazardous waste planning fee under RCW 70.95E.030, including opportunities to provide incentives that reward businesses for toxic use reduction successes in meeting a fifty percent toxics use reduction goal. The committee shall report its findings and recommendations to the fiscal and policy committees of the senate and house of representatives by November 1, 2008.

(35) \$70,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for Substitute Senate Bill No. 6805 (relating to promoting farm and forest land preservation and environmental restoration through conservation markets). If the bill is not enacted by June 30,

2008, the amount provided in this subsection shall lapse.

(36) 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 10% for fiscal year 2009.

Sec. 1203 2009 c 4 s 303 (uncodified) is amended to read as follows:

FOR THE STATE PARKS AND RECREATION COMMISSION

General Fund -- State Appropriation (FY 2008)	\$48,970,000
General Fund -- State Appropriation (FY 2009)	(\$45,503,000)
	<u>\$45,508,000</u>
General Fund -- Federal Appropriation	\$5,731,000
General Fund -- Private/Local Appropriation	\$73,000
Winter Recreation Program Account -- State Appropriation	\$1,559,000
Off-Road Vehicle Account -- State Appropriation	\$234,000
Snowmobile Account -- State Appropriation	\$4,829,000
Aquatic Lands Enhancement Account -- State Appropriation	\$363,000
Public Safety and Education Account -- State Appropriation (FY 2008)	\$23,000
Public Safety and Education Account -- State Appropriation (FY 2009)	\$24,000
Parks Renewal and Stewardship Account -- State Appropriation	(\$37,334,000)
	<u>\$38,584,000</u>
Parks Renewal and Stewardship Account -- Private/Local Appropriation	\$300,000
TOTAL APPROPRIATION	(\$144,943,000)
	<u>\$146,198,000</u>

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

- (1) Fees approved by the state parks and recreation commission in the 2007-09 biennium are authorized to exceed the fiscal growth factor under RCW 43.135.055.
- (2) \$79,000 of the general fund -- state appropriation for fiscal year 2008 and \$79,000 of the general fund -- state appropriation for fiscal year 2009 are provided solely for a grant for the operation of the Northwest avalanche center.
- (3) \$300,000 of the general fund--state appropriation for fiscal year 2008 is provided solely for project scoping and cost estimating for the agency's 2009-11 capital budget submittal.
- (4) \$2,255,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for costs associated with relocating the commission's Tumwater headquarters office.
- (5) \$272,000 of the general fund--state appropriation for fiscal year 2008 and \$271,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for costs associated

with relocating the commission's eastern Washington regional headquarters office.

(6) \$1,000,000 of the general fund--state appropriation for fiscal year 2008 is provided solely for replacing vehicles and equipment.

(7) \$1,611,000 of the general fund--state appropriation for fiscal year 2008 and \$1,428,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for planned and emergency maintenance of park facilities.

(8) \$1,700,000 of the general fund--federal appropriation for fiscal year 2009 is provided solely for the recreational boating safety program.

(9) \$954,000 of the general fund--state appropriation for fiscal year 2008 and ~~(\$1,007,000)~~ \$932,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the operations of Cama Beach state park.

(10) \$25,000 of the general fund--state appropriation for fiscal year 2008 and \$25,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for implementation of Substitute Senate Bill No. 5219 (weather and avalanche center). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(11) \$9,000 of the general fund--state appropriation for fiscal year 2008 and \$9,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for implementation of Substitute Senate Bill No. 5463 (forest fire protection). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(12) \$9,000 of the general fund--state appropriation for fiscal year 2008 and \$9,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for implementation of Substitute Senate Bill No. 5236 (public lands management). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(13) \$264,000 of the general fund--state appropriation for fiscal year 2008 and ~~(\$217,000)~~ \$132,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to establish a pilot lifeguard program at Lake Sammamish and Nolte state parks. The department shall complete a comprehensive risk analysis to determine if expansion of the lifeguard program or other drowning risk reduction measures should be implemented. The department shall report its findings to the office of financial management and the appropriate committees of the legislature by July 1, 2009. The department shall fully implement this program as intended in this subsection.

(14) \$455,000 of the general fund--state appropriation for fiscal year 2008 and \$10,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the development of a long-range plan for Fort Worden state park, including architectural and site design guidelines, business and operations implementation, site and facilities use plan, and for the department to convene a task force to recommend alternative governance structures for the park.

(15) \$1,600,000 of the parks renewal stewardship account--state appropriation is provided solely for operating state parks, developing and renovating park facilities, undertaking deferred maintenance, enhancing park stewardship and other state park purposes, pursuant to Substitute House Bill No. 2275 (raising funds for state parks). Expenditures from the amount provided in this subsection shall not exceed actual revenues received under Substitute House Bill No. 2275. If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(16) ~~(\$40,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for implementation of Second Substitute House Bill No. 2514 (orca whale protection). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.~~

~~—(17))~~ \$58,000 of the general fund--state appropriation for fiscal year 2008 and \$73,000 of the

general fund--state appropriation for fiscal year 2009 are provided solely for one-time financial assistance to the northwest weather and avalanche center, administered by the United States forest service, to keep the center operational through the remainder of the biennium.

~~((18))~~ (17) Funds in this section are sufficient for continued implementation of Engrossed Substitute Senate Bill No. 5010 (foster home pass). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

Sec. 1204 2009 c 4 s 307 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF FISH AND WILDLIFE

General Fund -- State Appropriation (FY 2008)	\$56,158,000
General Fund -- State Appropriation (FY 2009)	((49,062,000))
<u>\$49,094,000</u>	
General Fund -- Federal Appropriation	\$52,270,000
General Fund -- Private/Local Appropriation	\$37,184,000
Off-Road Vehicle Account -- State Appropriation	\$413,000
Aquatic Lands Enhancement Account -- State Appropriation	\$6,022,000
Public Safety and Education Account -- State Appropriation (FY 2008)	\$268,000
Public Safety and Education Account -- State Appropriation (FY 2009)	\$323,000
Recreational Fisheries Enhancement -- State Appropriation	\$3,600,000
Warm Water Game Fish Account -- State Appropriation	\$2,992,000
Eastern Washington Pheasant Enhancement Account -- State Appropriation	\$753,000
Aquatic Invasive Species Enforcement Account -- State Appropriation	\$204,000
Aquatic Invasive Species Prevention Account -- State Appropriation	\$842,000
Wildlife Account -- State Appropriation	\$63,549,000
Wildlife Account -- Federal Appropriation	\$34,279,000
Wildlife Account -- Private/Local Appropriation	\$13,187,000
Game Special Wildlife Account -- State Appropriation	\$2,478,000
Game Special Wildlife Account -- Federal Appropriation	\$8,911,000
Game Special Wildlife Account -- Private/Local Appropriation	\$483,000
Water Quality Account--State Appropriation (FY 2008)	\$160,000
Water Quality Account--State Appropriation (FY 2009)	\$160,000
Regional Fisheries Salmonid Recovery Account -- Federal Appropriation	\$5,001,000
Oil Spill Prevention Account -- State Appropriation	\$1,093,000
Oyster Reserve Land Account -- State Appropriation	\$416,000
Wildlife Rehabilitation Account--State Appropriation	((270,000))
<u>\$240,000</u>	
TOTAL APPROPRIATION	((340,078,000))

\$340,080,000

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

(1) The department shall use the department of printing for printing needs. Funds provided in this section may not be used to staff or fund a stand-alone printing operation.

(2) \$175,000 of the general fund -- state appropriation for fiscal year 2008 and \$175,000 of the general fund -- state appropriation for fiscal year 2009 are provided solely for the implementation of hatchery reform recommendations defined by the hatchery scientific review group.

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

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

(5) \$400,000 of the general fund -- state appropriation for fiscal year 2008 and \$400,000 of the general fund -- state appropriation for fiscal year 2009 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.

(6) The department shall assist the office of regulatory assistance in implementing activities consistent with the governor's regulatory improvement program. The department shall support and provide expertise to facilitate, coordinate, and simplify citizen and business interactions so as to improve state regulatory processes involving state, local, and federal stakeholders.

(7) \$634,000 of the general fund--state appropriation for fiscal year 2008 is provided solely for operations and fish production costs at department-operated Mitchell act hatchery facilities.

(8) \$609,000 of the general fund--state appropriation for fiscal year 2009 is 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.

(a) For the purposes of the pilot project:

(i) 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;

(ii) 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;

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

(iv) 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

(v) 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;

(b) The director, in collaboration with the Colville Tribes, shall provide an interim report to the office of financial management and the appropriate committees of the legislature by December 31, 2008. The report shall describe the status of the pilot project, and make recommendations as needed to fully implement the project, pursuant to the state and tribal agreement on Lake Rufus Woods.

(9) \$182,000 of the general fund--state appropriation for fiscal year 2008 and \$182,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to continue the ballast water management program in Puget Sound and expand the program to include the Columbia river and coastal ports.

(10) \$250,000 of the general fund--state appropriation for fiscal year 2008 and \$250,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for hatchery facility maintenance improvements.

(11) \$440,000 of the general fund--state appropriation for fiscal year 2008 and \$409,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for estimates of juvenile abundance of federally listed salmon and steelhead populations. The department shall report to the office of financial management and the appropriate fiscal committees of the legislature with a letter stating the use and measurable results of activities that are supported by these funds.

(12) \$125,000 of the general fund--state appropriation for fiscal year 2008 and \$125,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the strategic budget and accountability program.

(13) \$113,000 of the general fund--state appropriation for fiscal year 2008 and \$113,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to implement Engrossed Substitute Senate Bill No. 5372 (Puget Sound partnership). If the bill is not enacted by June 30, 2007, the department shall execute activities as described in Engrossed Substitute Senate Bill No. 5372 (Puget Sound partnership).

(14) Prior to submitting its 2009-11 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 and the appropriate legislative committees by October 1, 2008.

(15) \$43,000 of the general fund--state appropriation for fiscal year 2008 is provided solely for the implementation of Substitute Senate Bill No. 5447 (coastal Dungeness crab). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(16) \$4,000 of the general fund--state appropriation for fiscal year 2008 and \$4,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the implementation of Substitute Senate Bill No. 5463 (forest fire protection). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(17) \$89,000 of the general fund--state appropriation for fiscal year 2008 and \$89,000 of the

general fund--state appropriation for fiscal year 2009 are provided solely for the implementation of Substitute Senate Bill No. 6141 (forest health). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(18) \$204,000 of the aquatic invasive species enforcement account--state appropriation is provided solely for the implementation of Substitute Senate Bill No. 5923 (aquatic invasive species). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(19) \$352,000 of the wildlife rehabilitation account is provided solely for the implementation of Senate Bill No. 5188 (wildlife rehabilitation). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(20) \$77,000 of the general fund--state appropriation for fiscal year 2008 and \$75,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the department of fish and wildlife to participate in the upper Columbia salmon recovery plan implementation, habitat conservation plan hatchery committees, and the priest rapids salmon and steelhead agreement hatchery technical committee.

(21)(a) Within existing funds, the department of fish and wildlife shall sell the upper 20-acre parcel of the Beebe springs property.

(b) Proceeds from the sale are to be used to develop the Beebe springs natural interpretive site. Up to \$300,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for the development of the Beebe springs natural interpretive site. The department shall not expend more than the amount received from the sale proceeds.

(22) \$50,000 of the general fund--state appropriation for fiscal year 2008 and \$49,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to implement Substitute House Bill No. 2049 (marine resource committees). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(23) \$35,000 of the general fund--state appropriation for fiscal year 2008 and \$35,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for a study of introducing oxygen to the waters of Hood Canal. The study shall propose a location in a small marine area where a large number of bottom-dwelling fish species exist, and analyze the impact of injected dissolved oxygen on aquatic life. The department shall report to the appropriate committees of the legislature on the results of the study and recommend whether to proceed with a project to inject oxygen into Hood Canal.

(24) \$1,310,000 of the general fund--state appropriation for fiscal year 2008 is provided solely to replace state wildlife account funds for the engineering program and \$610,000 of the general fund--state appropriation for fiscal year 2008 are provided solely to replace state wildlife account funds for the hydraulic project permitting program, including the development of a permit fee schedule for the hydraulic project approval program to make the program self supporting. Fees may be based on factors relating to the complexity of the permit issuance. The fees received by the department must be deposited into the state wildlife account and shall be expended exclusively for the purposes of the hydraulic project permitting program. By December 1, 2008, the department shall provide a permit fee schedule for the hydraulic project approval program to the office of financial management and the appropriate committees of the legislature.

(25) \$245,000 of the general fund--state appropriation for fiscal year 2008 is provided solely to the department to work in cooperation with the department of natural resources to assist with the implementation of the wild horse coordinated resource management plan. Implementation

may include providing grant funding to other state and nonstate entities as needed.

(26) \$270,000 of the general fund--state appropriation for fiscal year 2008 and \$270,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the department to develop siting guidelines for power generation facilities, provide technical assistance for permitting, support voluntary compliance with the guidelines, and to conduct bird and wildlife assessments on state lands most eligible for wind power leases.

(27) \$50,000 of the general fund--state appropriation for fiscal year 2008 is provided solely to implement Second Substitute House Bill No. 2220 (shellfish). The department shall develop and maintain an electronic database for aquatic farmer registration. If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(28) During the 2007-09 biennium, the department shall not make a permanent closure of any hatchery facility currently in operation.

(29) 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, 2008.

(30) \$46,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for implementation of Second Substitute House Bill No. 2514 (orca whale protection). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(31) The department shall complete an inventory of department purchased or leased lands acquired for mixed agriculture and fish and wildlife habitat and provide for each purchase or lease agreement the cost and date of the agreement, the previous use of the land, any agreement or deed specifying continuing use of the land, and the current management cost and status of each parcel of purchased or leased lands. The department shall provide the inventory to the appropriate committees of the legislature by December 1, 2008.

(32) \$289,000 of the general fund--state appropriation for fiscal year 2008 and \$301,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for selective fisheries.

(33) \$100,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for removal of derelict gear in Washington waters.

(34) \$135,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for a review of the effectiveness of the department's existing hydraulic project approval process and environmental outcomes.

(35) \$75,000 of the general fund--state appropriation for fiscal year 2009 is provided solely to implement the 2008 Wiley Slough restoration project report to the legislature recommendation to establish a private farmland, public recreation partnership that would provide farmland preservation, waterfowl management, and public recreational access.

(36) \$95,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for Ebey Island property management costs.

(37)(a) A work group on Electron dam salmon passage is established, with members as provided in this subsection.

(i) The president of the senate shall appoint one member from each of the two largest caucuses of the senate.

(ii) The speaker of the house of representatives shall appoint one member from each of the

two largest caucuses of the house of representatives.

(iii) The department of fish and wildlife shall appoint at least one representative from each of the following entities: The department of fish and wildlife, Puyallup Tribe of Indians, and Puget Sound energy.

(b) The department of fish and wildlife shall provide staff support to the work group.

(c) The work group shall study possible enhancements for improving outbound juvenile salmon passage at Electron dam on the Puyallup river.

(d) Legislative members of the work group shall 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.

(e) The expenses of the work group, other than travel expenses of legislative members, shall be paid within existing funds from the department of fish and wildlife.

(f) The work group shall present its findings and recommendations to the appropriate committees of the legislature by January 1, 2009.

(g) This subsection expires January 1, 2009.

(38) As part of its 2009-11 biennial budget request, the department shall submit a report detailing the methodology for determining the value of payment in lieu of taxes as provided in RCW 79.70.130. At a minimum, the report will show the number of acres subject to the payment in lieu of taxes, the tax rates assumed by each affected county, and the resulting value of the state general fund obligation.

(39) Within the appropriations in this section, specific funding is provided to implement Engrossed Senate Bill No. 6821 (fish and wildlife information).

(40) \$250,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for Second Substitute Senate Bill No. 6227 (outer coast marine resources committees). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(41) \$115,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for Substitute Senate Bill No. 6231 (marine protected areas). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

Sec. 1205 2009 c 4 s 308 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF NATURAL RESOURCES

General Fund -- State Appropriation (FY 2008)	\$50,328,000
General Fund -- State Appropriation (FY 2009)	(\$48,695,000)
<u>\$65,720,000</u>	
General Fund -- Federal Appropriation	\$27,855,000
General Fund -- Private/Local Appropriation	\$1,408,000
Forest Development Account -- State Appropriation	(\$57,603,000)
<u>\$57,647,000</u>	
Off-Road Vehicle Account -- State Appropriation	\$4,196,000
Surveys and Maps Account -- State Appropriation	\$2,523,000
Aquatic Lands Enhancement Account -- State Appropriation	\$7,897,000
Resources Management Cost Account -- State Appropriation	(\$94,633,000)
<u>\$95,426,000</u>	

Surface Mining Reclamation Account -- State Appropriation	\$3,279,000
Disaster Response Account -- State Appropriation	\$5,000,000
Forest and Fish Support Account -- State Appropriation	\$7,000,000
Water Quality Account -- State Appropriation (FY 2008)	\$1,348,000
Water Quality Account -- State Appropriation (FY 2009)	\$1,348,000
Aquatic Land Dredged Material Disposal Site Account -- State Appropriation	\$1,335,000
Natural Resources Conservation Areas Stewardship Account -- State Appropriation	\$34,000
State Toxics Control Account -- State Appropriation	\$80,000
Air Pollution Control Account -- State Appropriation	\$567,000
Nonhighway and Off-Road Vehicle Activities Program Account--State Appropriation	\$982,000
Derelict Vessel Removal Account -- State Appropriation	\$3,650,000
Agricultural College Trust Management Account -- State Appropriation	\$2,046,000
TOTAL APPROPRIATION	(\$321,807,000)
	<u>\$339,669,000</u>

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

(1) \$1,021,000 of the general fund -- state appropriation for fiscal year 2008 and \$1,043,000 of the general fund -- state appropriation for fiscal year 2009 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) \$13,920,000 of the general fund -- state appropriation for fiscal year 2008, ~~(\$13,542,000)~~ \$30,292,000 of the general fund -- state appropriation for fiscal year 2009, 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.

(3) Fees approved by the department of natural resources and the board of natural resources in the 2007-09 biennium are authorized to exceed the fiscal growth factor under RCW 43.135.055.

(4) \$198,000 of the general fund--state appropriation for fiscal year 2008 and \$199,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the department to work with appropriate stakeholders and state agencies in determining how privately owned lands, in combination with other land ownership such as public and tribal lands, contribute to wildlife habitat. The assessment will also determine how commercial forests, forest lands on the urban fringe, and small privately-owned forest lands that are managed according to Washington's forest and fish prescriptions, in combination with other forest management activities, function as wildlife habitat now and in the future.

(5) \$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. The department shall compile the outcomes of these grants annually and submit them to the office of financial

management by September 1 of 2008 and 2009.

(6) \$400,000 of the forest and fish support account--state appropriation is provided solely for adaptive management, monitoring, and participation grants to the departments of ecology and fish and wildlife. If federal funding for this purpose is reinstated, this subsection shall lapse.

(7) The department shall prepare a feasibility study that analyzes applicable business processes and develops the scope, requirements, and alternatives for replacement of the department's current suite of payroll-support systems. The department shall use an independent consultant to assist with the study, and shall submit the completed analysis to the office of financial management, the department of personnel, and the department of information services by August 1, 2008.

(8) \$600,000 of the general fund--state appropriation for fiscal year 2008 and \$600,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to continue interagency agreements with the department of fish and wildlife and the department of ecology for forest and fish report field implementation tasks.

(9) All department staff serving as recreation-management trail stewards shall be noncommissioned.

(10) \$112,000 of the aquatic lands enhancement account--state appropriation is provided solely for spartina eradication efforts. The department may enter into agreements with federal agencies to eradicate spartina from private lands that may provide a source of reinfestation to public lands.

(11) \$40,000 of the general fund--state appropriation for fiscal year 2008 and \$40,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the department to convene and staff a work group to study issues related to wildfire prevention and protection. The work group shall be composed of members representing rural counties in eastern and western Washington, fire districts, environmental protection organizations, industrial forest landowners, the agricultural community, the beef industry, small forest landowners, the building industry, realtors, the governor or a designee, the insurance commissioner or a designee, the office of financial management, the state fire marshal or a designee, the state building code council, and the commissioner or public lands or a designee. The work group shall issue a report of findings and recommendations to the appropriate committees of the legislature by August 1, 2008.

(12) \$249,000 of the aquatic lands enhancement account--state appropriation is provided solely to implement Engrossed Substitute Senate Bill No. 5372 (Puget Sound partnership). If the bill is not enacted by June 30, 2007, the department shall execute activities as described in Engrossed Substitute Senate Bill No. 5372 (Puget Sound partnership).

(13) \$2,000,000 of the derelict vessel removal account--state appropriation is provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 6044 (derelict vessels). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(14) \$34,000 of the general fund--state appropriation for fiscal year 2008 and \$34,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the implementation of Substitute Senate Bill No. 5236 (public lands management). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(15) \$14,000 of the forest development account--state appropriation and \$52,000 of the resources management cost account--state appropriation are provided solely for implementation of Substitute Senate Bill No. 5463 (forest fire protection). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(16) \$100,000 of the general fund--state appropriation for fiscal year 2008 and \$900,000 of

the general fund--state appropriation for fiscal year 2009 are provided solely for the removal of one or two large floating dry docks off Lake Washington near the Port Quendall site in north Renton.

(17) \$547,000 of the general fund--state appropriation for fiscal year 2008 and \$726,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the implementation of Substitute Senate Bill No. 6141 (forest health). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(18) \$22,000 of the surface mining reclamation account--state appropriation and \$22,000 of the resources management cost account--state appropriation are provided solely for the implementation of Substitute Senate Bill No. 5972 (surface mining reclamation). If the bill is not enacted by June 30, 2007, the amounts in this subsection shall lapse.

(19) \$125,000 of the general fund--state appropriation for fiscal year 2008, \$125,000 of the general fund--state appropriation for fiscal year 2009, and \$250,000 of the resource management cost account--state appropriation are provided solely to extend the 2005-2007 contract with the University of Washington college of forestry resources for additional research and technical assistance on the future of Washington forests. Reports shall be submitted by June 30, 2009, to the appropriate committees of the legislature on the following topics:

(a) An exploration of the potential markets for renewable energy from biomass from Washington forests, especially from material removed from eastern Washington forests as part of forest health improvement efforts. This exploration shall assess the feasibility of converting large amounts of underutilized forest biomass into useful products and green energy by providing required analyses needed to efficiently collect and deliver forest biomass to green energy end users. The role of transportation and processing infrastructure in developing markets for such material for both clean energy and value-added products shall be included in the exploration. The college shall coordinate with Washington State University efforts to identify what new biological, chemical, and engineering technologies are emerging for converting forest biomass to clean and efficient energy.

(b) Recommendations for the college's northwest environmental forum for retaining the highest valued working forest lands at risk of conversion to nonforest uses. These recommendations should include an examination of means to enhance biodiversity through strategic retention of certain lands, as well as economic incentives for landowners to retain lands as working forests and provide ecosystem services. The recommendations shall consider the health and value of the forest lands, the rate of loss of working forest lands in the area, the risk to timber processing infrastructure from continued loss of working forest lands, and the multiple benefits derived from retaining working forest lands. The recommendations shall prioritize forest lands in the Cascade foothills, which include the area generally encompassing the nonurbanized lands within the Cascade mountain range and drainages lying between three hundred and three thousand feet above mean sea level, and located within Whatcom, Skagit, Snohomish, King, Pierce, Thurston, and Lewis counties.

(20) \$25,000 of the general fund--state appropriation for fiscal year 2008 and \$25,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for Chelan county, as the chair of the Stemilt partnership, to perform the following:

(a) Work with private and public land management entities to identify and evaluate land ownership possibilities;

(b) Allocate up to \$10,000 to the department of fish and wildlife to perform technical studies, baseline assessments, environmental review, due diligence, and similar real estate evaluations;

and

(c) Implement real estate transactions based on the results of the studies.

(21) \$15,000 of the general fund--state appropriation for fiscal year 2008 and \$15,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for health benefits to Washington conservation corps employees.

(22) \$300,000 of the general fund--state appropriation for fiscal year 2008 and \$300,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for staff support for the natural heritage program to integrate, analyze, and provide bird area information, and for state designations and mapping support, among other activities.

(23) \$48,000 of the resource management cost account--state appropriation is provided solely to implement Second Substitute House Bill No. 2220 (shellfish). The department shall participate in a shellfish aquaculture regulatory committee, convened by the department of ecology. If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(24) \$150,000 of the general fund--private/local appropriation is provided solely for the implementation of Substitute Senate Bill No. 5445 (cost-reimbursement agreements). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(25) \$191,000 of the aquatic lands enhancement account--state appropriation is provided solely for the department to coordinate with the Puget Sound partnership to complete a final habitat conservation plan for state-owned aquatic lands and an environmental impact statement by June 2009.

(26) \$251,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for implementation of Engrossed Second Substitute House Bill No. 2844 (urban forestry). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(27) \$80,000 of the general fund--state appropriation for fiscal year 2009 is provided solely to complete maps of lower Hood Canal, including subsurface geologic layers, lithology, digital layers, and maps to identify liquifiable sediments for hazard mitigation. The department shall provide a report to the appropriate committees of the legislature on maps that were produced by December 1, 2008.

(28) As part of its 2009-11 biennial budget request, the department shall submit a report detailing the methodology for determining the value of payment in lieu of taxes as provided in RCW 79.70.130. At a minimum, the report will show the number of acres subject to the payment in lieu of taxes, the tax rates assumed by each affected county, and the resulting value of the state general fund obligation.

(29) \$200,000 of the general fund--state appropriation for fiscal year 2009 is provided solely to supplement other available funds for an analysis of whether forest practices rules (including rules for harvest on potentially unstable slopes, road construction and maintenance, and post-harvest slash treatment) effectively protect public resources and public safety from landslides, and other storm-related impacts. The analysis is to be accomplished using the forest practices board adaptive management process. The cooperative monitoring, evaluation, and research (CMER) committee of the adaptive management program shall submit a report of its preliminary analysis and conclusions to the appropriate committees of the legislature by December 1, 2008. The forest practices board shall submit a complete report of the CMER study on the effectiveness of current prescriptions and practices by June 30, 2009. This amount is ongoing solely to make improvements to the state's geological survey.

(30) \$26,000 of the general fund--state appropriation for fiscal year 2008 and \$71,000 of the

general fund--state appropriation for fiscal year 2009 are provided solely to implement Substitute House Bill No. 2472 (recreational opportunities).

Sec. 1206 2009 c 4 s 311 (uncodified) is amended to read as follows:

FOR THE PUGET SOUND PARTNERSHIP

General Fund--State Appropriation (FY 2008)	\$370,000
General Fund--State Appropriation (FY 2009)	\$560,000
General Fund -- Federal Appropriation	\$2,655,000
General Fund -- Private/Local Appropriation	\$2,500,000
Aquatic Lands Enhancement Account -- State Appropriation	\$500,000
Water Quality Account -- State Appropriation (FY 2008)	\$3,660,000
Water Quality Account -- State Appropriation (FY 2009)	(\$4,098,000)
	<u>\$3,898,000</u>
State Toxics Account--State Appropriation	(\$1,510,000)
	<u>\$1,710,000</u>
TOTAL APPROPRIATION	\$15,853,000

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

(1) \$600,000 of the water quality account--state appropriation for fiscal year 2008, ~~(\$1,400,000)~~ \$1,200,000 of the water quality account--state appropriation for fiscal year 2009, and \$2,500,000 of the general fund--private/local appropriation are provided solely for the education of citizens through attracting and utilizing volunteers to engage in activities that result in environmental benefits.

(2) \$2,208,000 of the water quality account--state appropriation for fiscal year 2008, \$2,209,000 of the water quality account--state appropriation for fiscal year 2009, \$370,000 of the general fund--state appropriation for fiscal year 2008, \$560,000 of the general fund--state appropriation for fiscal year 2009, and \$1,155,000 of the general fund--federal appropriation are provided solely to implement Substitute Senate Bill No. 5372 (Puget Sound partnership). If the bill is not enacted by June 30, 2007, then \$2,208,000 of the water quality account--state appropriation for fiscal year 2008, \$2,209,000 of the water quality account--state appropriation for fiscal year 2009, \$1,155,000 of the general fund--federal appropriation, \$500,000 of the general fund--state appropriation for fiscal year 2008, and \$500,000 of the general fund--state appropriation for fiscal year 2009 are appropriated to the office of the governor for operation of the Puget Sound action team.

(3) To implement the 2007-09 Puget Sound biennial plan required by Engrossed Substitute Senate Bill No. 5372 (Puget Sound partnership), funding is provided solely for Puget Sound recovery activities in the budgets of selected agencies and institutions of higher education, including the department of agriculture, department of community, trade and economic development, conservation commission, department of ecology, department of fish and wildlife, department of health, interagency committee for outdoor recreation, department of natural resources, state parks and recreation commission, the Puget Sound partnership, University of Washington, and Washington State University. During the 2007-09 biennium, moneys are provided solely for these agencies and institutions of higher education as provided for in ~~((LEAP)) OFM~~ document ~~((PSAT-2007))~~ PSP-2009.

(4) \$305,000 of the water quality account--state appropriation for fiscal year 2009 ~~((and \$305,000 of the general fund--federal appropriation are))~~ is provided solely for an outcome

monitoring program first for Puget Sound and Washington's coastline and then across the remaining salmon recovery regions across the state.

(5) \$852,000 of the water quality account--state appropriation for fiscal year 2008, \$231,000 of the water quality account--state appropriation for fiscal year 2009, and \$900,000 of the state toxics control account appropriation are provided solely for development and implementation of the 2020 action agenda.

(End of part)

**PART XIII
TRANSPORTATION**

Sec. 1301 2009 c 4 s 402 (uncodified) is amended to read as follows:

FOR THE STATE PATROL

General Fund -- State Appropriation (FY 2008)	\$38,968,000
General Fund -- State Appropriation (FY 2009)	(\$28,334,000)
<u>\$32,288,000</u>	
General Fund -- Federal Appropriation	\$5,629,000
General Fund -- Private/Local Appropriation	\$1,223,000
Death Investigations Account -- State Appropriation	(\$5,680,000)
<u>\$5,681,000</u>	
Public Safety and Education Account -- State Appropriation (FY 2008)	\$1,476,000
Public Safety and Education Account -- State Appropriation (FY 2009)	\$2,687,000
Enhanced 911 Account -- State Appropriation	\$572,000
County Criminal Justice Assistance Account -- State Appropriation	\$3,133,000
Municipal Criminal Justice Assistance Account -- State Appropriation	\$1,222,000
Fire Service Trust Account -- State Appropriation	\$131,000
Disaster Response Account -- State Appropriation	\$2,000
Fire Service Training Account -- State Appropriation	\$8,010,000
Aquatic Invasive Species Enforcement Account -- State Appropriation	\$54,000
State Toxics Control Account -- State Appropriation	\$495,000
Violence Reduction and Drug Enforcement Account -- State Appropriation (FY 2008)	\$3,007,000
Violence Reduction and Drug Enforcement Account -- State Appropriation (FY 2009)	\$4,429,000
Fingerprint Identification Account -- State Appropriation	\$10,057,000
TOTAL APPROPRIATION	(\$115,109,000)
<u>\$119,064,000</u>	

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

(1) \$233,000 of the general fund--state appropriation for fiscal year 2008, \$282,000 of the general fund--state appropriation for fiscal year 2009, and \$357,000 of the fingerprint identification account--state appropriation are provided solely for workload associated with implementation of the federal Adam Walsh Act -- the Children's Safety and Violent Crime Reduction Act of 2006.

(2) In accordance with RCW 10.97.100 and chapter 43.43 RCW, the Washington state patrol is authorized to perform and charge fees for criminal history and background checks for state and local agencies, and nonprofit and other private entities and disseminate the records. It is the policy of the state of Washington that the fees cover, as nearly as practicable, the direct and indirect costs of performing criminal history and background checks activities. Pursuant to RCW 43.135.055, during the 2007-2009 fiscal biennium, the Washington state patrol may increase fees in excess of the fiscal growth factor if the increases are necessary to fully fund the direct and indirect cost of the criminal history and background check activities.

(3) \$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.

(4) \$350,000 of the fire service training account--state appropriation is provided solely to implement the provisions of Senate Bill No. 6119 (firefighter apprenticeship training program). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(5) \$200,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for efforts to reduce the number of convicted offender biological samples awaiting DNA analysis.

(6) Within the appropriations in this section, specific funding is provided to implement Second Substitute Senate Bill No. 5642 (cigarette ignition).

(End of part)

PART XIV EDUCATION

Sec. 1401 2009 c 4 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

General Fund -- State Appropriation (FY 2008)	\$36,444,000
General Fund -- State Appropriation (FY 2009)	(\$38,605,000)
<u>\$38,708,000</u>	
General Fund -- Federal Appropriation	\$77,182,000
TOTAL APPROPRIATION	(\$152,231,000)
<u>\$152,334,000</u>	

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

(1) ~~(A maximum of)~~ \$11,920,000 of the general fund -- state appropriation for fiscal year 2008 and ~~((a maximum of \$12,019,000))~~ \$10,152,000 of the general fund -- state appropriation for fiscal year 2009 are for the operation and expenses of the office of the superintendent of public instruction. Within the amounts provided in this subsection, the superintendent shall

recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award. The students selected for the award must demonstrate understanding through completion of at least one of the classroom-based civics assessment models developed by the superintendent of public instruction, and through leadership in the civic life of their communities. The superintendent shall select two students from eastern Washington and two students from western Washington to receive the award, and shall notify the governor and legislature of the names of the recipients.

(2) \$1,080,000 of the general fund -- state appropriation for fiscal year 2008 and (~~(\$815,000)~~) \$796,000 of the general fund -- state appropriation for fiscal year 2009 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities. Within the amounts provided, the board shall implement the provisions of Second Substitute House Bill No. 1906 (improving mathematics and science education) for which it is responsible, including: (a) Develop a comprehensive set of recommendations for an accountability system; (b) adopt high school graduation requirements aligned with international performance standards in mathematics and science and, in conjunction with the office of the superintendent of public instruction, identify no more than three curricula that are aligned with these standards; and (c) review all requirements related to the high school diploma as directed by section 405, chapter 263, Laws of 2006.

(3) \$4,779,000 of the general fund--state appropriation for fiscal year 2008 and (~~(\$6,248,000)~~) \$5,808,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to the professional educator standards board for the following:

(a) \$930,000 in fiscal year 2008 and \$1,257,000 in fiscal year 2009 are for the operation and expenses of the Washington professional educator standards board, including administering the alternative routes to certification program, pipeline for paraeducators conditional scholarship loan program, and the retooling to teach math conditional loan program. Within the amounts provided in this subsection (3)(a), the professional educator standards board shall: (i) Revise the teacher mathematics endorsement competencies and alignment of teacher tests to the updated competencies; (ii) review teacher preparation requirements in cultural understanding and make recommendations for strengthening these standards; (iii) create a new professional level teacher assessment; (iv) expand the alternative routes to teacher certification program for business professionals and instructional assistants who will teach math and science; (v) revise requirements for college and university teacher preparation programs to match a new knowledge- and skill-based performance system; and (vi) test implementation of a revised teacher preparation program approach that is classroom experience-intensive and performance-based;

(b) \$3,269,000 of the general fund--state appropriation for fiscal year 2008 and \$3,966,000 of the general fund-state appropriation for fiscal year 2009 are for conditional scholarship loans and mentor stipends provided through the alternative routes to certification program administered by the professional educator standards board. Of the amounts provided in this subsection (3)(b):

(i) \$500,000 each year is provided solely for conditional scholarships to candidates seeking an endorsement in special education, math, science, or bilingual education;

(ii) \$2,210,000 for fiscal year 2008 and \$3,230,000 for fiscal year 2009 are for the expansion of conditional scholarship loans and mentor stipends for individuals enrolled in alternative route state partnership programs and seeking endorsements in math, science, special education or bilingual education;

(iii) Remaining amounts in this subsection (3)(b) shall be used to continue existing alternative

routes to certification programs; and

(iv) Candidates seeking math and science endorsements under (i) and (ii) of this subsection (3)(b) shall receive priority for funding;

(c) \$236,000 of the general fund--state appropriation for fiscal year 2008 and \$231,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the recruiting Washington teachers program established in Second Substitute Senate Bill No. 5955 (educator preparation, professional development, and compensation);

(d) \$100,000 of the general fund--state appropriation for fiscal year 2008 and \$110,000 of the general fund--state appropriation for fiscal year 2009 provided in this subsection (3) are for \$4,000 conditional loan stipends for paraeducators participating in the pipeline for paraeducators established in Second Substitute House Bill No. 1906 (improving mathematics and science education); and

(e) \$244,000 of the general fund--state appropriation for fiscal year 2008 and \$244,000 of the general fund--state appropriation for fiscal year 2009 are for conditional stipends for certificated teachers pursuing a mathematics or science endorsement under the retooling to teach mathematics or science program established in Second Substitute House Bill No. 1906 (improving mathematics and science education). The conditional stipends shall be for endorsement exam fees as well as stipends for teachers who must also complete coursework.

(4) Within the amounts appropriated in this section, funding is for the professional educator standards board (PESB) to convene a work group to develop recommendations for increasing teacher knowledge, skills, and competencies to address the needs of English language learner students, pursuant to Second Substitute Senate Bill No. 6673 (student learning opportunities).

(5) \$425,000 of the general fund -- state appropriation for fiscal year 2008 and \$1,975,000 of the general fund--state appropriation for fiscal year 2009 are 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.

(6) Within the amounts appropriated in this section, funding is for direct services and support to schools around an integrated, interdisciplinary approach to instruction in conservation, natural resources, sustainability, and human adaptation to the environment. Specific integration efforts will focus on science, math, and the social sciences. Integration between basic education and career and technical education, particularly agricultural and natural sciences education, is to be a major element.

(7) Within the amounts appropriated in this section, funding is 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.

(8) Within the amounts appropriated in this section, funding is for comprehensive cultural competence and anti-bias education programs for educators and students. The office of superintendent of public instruction shall administer grants to school districts with the assistance and input of groups such as the anti-defamation league and the Jewish federation of Seattle.

(9) Within the amounts appropriated in this section, funding is to promote the financial literacy of students. The effort will be coordinated through the financial literacy public-private partnership.

(10) Within the amounts appropriated in this section, funding is for the implementation of Engrossed Second Substitute Senate Bill No. 5843 (regarding educational data and data systems).

(11) Within the amounts appropriated in this section, funding is for the implementation of Substitute House Bill No. 1052 (legislative youth advisory council). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(12) Within the amounts appropriated in this section, funding is for the implementation of Engrossed Second Substitute House Bill No. 1422 (children and families of incarcerated parents).

(13) Within the amounts appropriated in this section, funding is for the implementation of Second Substitute Senate Bill No. 5098 (Washington college bound scholarship). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(14) Within the amounts appropriated in this section, funding is for the implementation of Engrossed Substitute Senate Bill No. 5297 (regarding providing medically and scientifically accurate sexual health education in schools).

(15) Within the amounts appropriated in this section, funding is for a program to recognize the work of outstanding classified staff in school districts throughout the state.

(16) Within the amounts appropriated in this section, funding is for a full-time director of skills centers within the office of the superintendent of public instruction.

(17) Within the amounts appropriated in this section, funding is for the office of the superintendent of public instruction to contract with the northwest educational research laboratory (NWREL) to conduct two educational studies. Specifically, NWREL shall:

(a) Conduct a study regarding teacher preparation, training, and coordinated instructional support strategies for English language learners, as outlined in Engrossed Second Substitute Senate Bill No. 5841 (enhancing student learning opportunities and achievement). An interim report is due November 1, 2008, and the final report is due December 1, 2009. Both reports shall be delivered to the governor, the office of the superintendent of public instruction, and the appropriate early learning, education, and fiscal committees of the legislature; and

(b) Conduct a study of the effectiveness of the K-3 demonstration projects as outlined in Engrossed Second Substitute Senate Bill No. 5841 (enhancing student learning opportunities and achievement). An interim report is due November 1, 2008, and the final report is due December 1, 2009. Both reports shall be delivered to the governor, the office of the superintendent of public instruction, and the appropriate early learning, education, and fiscal committees of the legislature.

(18) Within the amounts appropriated in this section, funding is for the office of the superintendent of public instruction to contract with Washington State University social and economic sciences research center (WSU-SESRC) to conduct to educational research studies. The WSU-SESRC shall:

(a) Conduct a study which reviews chapter 207, Laws of 2002 (bullying in schools), evaluate the outcomes resulting from the legislation, and to make recommendations for continued improvement. The study shall, at a minimum, determine: (i) Whether the policies have been developed and implemented in all elementary, middle, and high schools; (ii) whether there has been any measurable improvement in the safety and civility of schools' climate and environment as a result of the legislation; (iii) whether there are still issues that need to be addressed in light of the original intent of the legislation; and (iv) recommended actions to be taken at the school, district, and state level to address the identified issues. Additionally, WSU-SESRC shall research and identify effective programs and the components of effective programs. A report shall be submitted to the education committees of the legislature and the office of the superintendent of public instruction by September 1, 2008.

(b) Conduct an evaluation of the mathematics and science instructional coach program as described in Second Substitute House Bill No. 1906 (improving mathematics and science education). Findings shall include an evaluation of the coach development institute, coaching support seminars, and other coach support activities; recommendations with regard to the characteristics required of the coaches; identification of changes in teacher instruction related to coaching activities; and identification of the satisfaction level with coaching activities as experienced by classroom teachers and administrators. An interim report is due November 1, 2008. The final report is due December 1, 2009. Both the interim and final report shall be presented to the governor, the office of the superintendent of public instruction, and the education and fiscal committees of the legislature.

(19) Within the amounts appropriated in this section, funding is for additional costs incurred by the state board of education in reviewing proposed math standards and curriculum.

(20) During the 2007-09 biennium, 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.

(21) Within the amounts appropriated in this section, funding is for a comprehensive analysis of math and science teacher supply and demand issues by the professional educator standards board. By December 1, 2008, the professional educator standards board shall submit a final report to the governor and appropriate policy and fiscal committees of the legislature, that includes, but is not limited to: (a) Specific information on the current number of math and science teachers assigned to teach mathematics and science both with and without appropriate certification in those subjects by region and statewide; (b) projected demand information by detailing the number of K-12 mathematics and science teachers needed by the 2010-11 school year by region and statewide; (c) specific recommendations on how the demand will be met through recruitment programs, alternative route certification programs, potential financial incentives, retention strategies, and other efforts; and (d) identification of strategies, based on best practices, to improve the rigor and productivity of state-funded mathematics and science teacher preparation programs. As part of the final report, the professional educator standards board and the Washington state institute for public policy shall provide information from a study of differential pay for teachers in high-demand subject areas such as mathematics and science, including the design, successes, and limitations of differential pay programs in other states. In order for the professional educator standards board to quantify demand, each school district shall provide to the board, by a date and in a format specified by the board, the number of teachers assigned to teach mathematics and science, both with and without appropriate certification and endorsement in those subjects, and the number of mathematics and science teaching vacancies needing to be filled, and the board shall include this data, by district, in its analysis.

(22) Within the amounts appropriated in this section, funding is for the implementation of Substitute Senate Bill No. 6556 (anaphylactic policy).

(23) Within the amounts appropriated in this section, funding is for the implementation of Substitute Senate Bill No. 6742 (guidelines for students with autism) and Substitute Senate Bill No. 6743 (training for students with autism).

(24) Within the appropriations in this section, specific funding is provided for the implementation of Second Engrossed Substitute Senate Bill No. 5100 (health insurance information for students).

(25) Within the amounts appropriated in this section, funding is for implementation of Second

Substitute House Bill No. 2722 (achievement gap for African-American students). The center for the improvement of student learning will convene an advisory committee to conduct a detailed analysis of the achievement gap for African-American students; recommend a comprehensive plan for closing the gap pursuant to goals under the federal no child left behind act for all groups of students to meet academic standards by 2014; and identify performance measures to monitor adequate yearly progress. A study update shall be submitted by September 15, 2008, and the committee's final report shall be submitted by December 30, 2008, to the superintendent of public instruction, the state board of education, the governor, the P-20 council, the basic education finance task force, and the education committees of the legislature.

(26) Within the appropriations in this section specific funding is provided to implement Second Substitute House Bill No. 2598 (online mathematics curriculum).

(27) Within the appropriations in this section specific funding is provided to implement Second Substitute House Bill No. 2635 (school district boundaries and organization).

(28) Within the appropriations in this section specific funding is provided to implement Second Substitute House Bill No. 3129 (online learning programs for high school students to earn college credit).

(29) Within the amounts appropriated in this section, funding is for the office of superintendent of public instruction to assign at least one full-time equivalent staff position to serve as the world language supervisor.

(30) Within the amounts appropriated in this section, funding is 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.

(31) Within the amounts appropriated in this section, funding is 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.

(32) Within the amounts appropriated in this section, funding is 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.

(33) Within the amounts appropriated in this section, funding is for the safety center advisory committee to develop and distribute a pamphlet to promote internet safety for children, particularly in grades seven through twelve. The pamphlet shall be posted on the superintendent of public instruction's web site. To the extent possible, the pamphlet shall be distributed in schools throughout the state and in other areas accessible to youth, including but not limited to libraries and community centers.

(34) \$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.

(35) Within the amounts appropriated in this section, funding is for a nonviolence and leadership training program provided by the institute for community leadership. The program shall provide a request for proposal process, with up to 80 percent funding, for nonviolence leadership workshops serving at least 12 school districts with direct programming in 36 elementary, middle, and high schools throughout Washington state.

(36) Within the amounts appropriated in this section, funding is for a pilot youth suicide prevention and information program. The office of superintendent of public instruction will work with selected school districts and community agencies in identifying effective strategies for preventing youth suicide.

(37) Within the amounts appropriated in this section, funding is for programs to improve safety and emergency preparedness and planning in public schools, as generally described in Substitute Senate Bill No. 5097. The superintendent of public instruction shall design and implement the grant program in consultation with the educational service districts, the school safety advisory committee, and the Washington association of sheriffs and police chiefs. The funding shall support grants to school districts for the development and updating of comprehensive safe school plans, school safety training, and the conducting of safety-related drills. As a condition of receiving these funds, school districts must ensure that schools (a) conduct at least one lockdown and one shelter in place safety drill each school year, and (b) send updated school mapping database information on an annual basis to the Washington association of sheriffs and police chiefs.

(38) Within the amounts appropriated in this section, funding is for the Washington state school directors' association to mediate and facilitate a school disciplinary action task force to review and make recommendations on a model policy regarding the use of physical force in schools. The model policy shall be submitted to the appropriate policy committees of the legislature by November 1, 2008.

(39) Within the amounts appropriated in this section, funding is 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.

(40) The office of the superintendent of public instruction shall coordinate, in collaboration with educational service districts, a system of outreach to school districts not currently maximizing their eligibility for federal e-rate funding through the schools and libraries program administered by the federal communications commission. By December 15, 2008, the office of the superintendent of public instruction shall issue a report to the fiscal committees of the legislature identifying school districts that were eligible but did not apply for e-rate funding for the last two years, and an estimate of the amounts for which they were eligible in those years. The report shall also include recommendations for following-up on the findings relative to the e-rate program contained in the state auditor's performance audit of educational service districts completed September, 2007.

(41) Within the amounts appropriated in this section, funding is to expand 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.

(42) Within the amounts appropriated in this section, funding is for operation of the Cispus environmental learning center.

(43) Within the amounts appropriated in this section, funding is for vocational student leadership organizations.

(44) Within the amounts appropriated in this section, funding is for the Washington civil liberties education program.

(45) Within the amounts appropriated in this section, funding is 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.

(46) Within the amounts appropriated in this section, funding is for the Lorraine Wojahn dyslexia pilot reading program in up to five school districts.

(47) Within the amounts appropriated in this section, funding is for developing and disseminating curriculum and other materials documenting women's role in World War II.

(48) Within the amounts appropriated in this section, funding is 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.

(49) Within the amounts appropriated in this section, funding is for the dissemination of the Navigation 101 curriculum to all districts, including disseminating electronic student planning tools and software for analyzing the impact of the implementation of Navigation 101 on student performance, and grants to at least one hundred school districts each year for the implementation of the Navigation 101 program. The implementation grants will be limited to a maximum of two years and the school districts selected shall represent various regions of the state and reflect differences in school district size and enrollment characteristics.

(50) Within the amounts appropriated in this section, funding is for the enhancement of civics education. Of this amount, \$25,000 each year is provided solely for competitive grants to school districts for curriculum alignment, development of innovative civics projects, and other activities that support the civics assessment established in chapter 113, Laws of 2006.

(51) Within the amounts appropriated in this section, funding is for the implementation of Second Substitute House Bill No. 1573 (authorizing a statewide program for comprehensive dropout prevention, intervention, and retrieval).

(52) Within the amounts appropriated in this section, funding is for the communities in school program in Pierce county.

(53) Within the amounts appropriated in this section, funding is for support and expansion of the mentoring advanced placement program in current operation in southwest Washington.

(54) Within the amounts appropriated in this section, funding is for program initiatives to address the educational needs of Latino students and families. The office of the superintendent of public instruction shall contract with the Seattle community coalition of compaña quetzal to provide for three initiatives: (a) Early childhood education; (b) parent leadership training; and (c) high school success and college preparation programs. Campana quetzal shall report to the office of the superintendent of public instruction by June 30, 2009, regarding impact of the programs on addressing the academic achievement gap, including high school drop-out rates and college readiness rates, for Latino students.

(55) Within the amounts appropriated in this section, funding is for implementation of Second

Substitute House Bill No. 2870 (professional development for instructional assistants). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(56) Within the amounts appropriated in this section, funding is for a pilot project to encourage bilingual high school students to pursue public school teaching as a profession. 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.

(57) In addition to other reductions, the reduced appropriations in this section reflect an additional ((~~\$225,000~~)) \$122,000 reduction in administrative costs required by Engrossed Substitute Senate Bill No. 5460 (reducing 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.

Sec. 1402 2009 c 4 s 502 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION -- FOR GENERAL APPORTIONMENT

General Fund -- State Appropriation (FY 2008)	\$4,436,719,000
General Fund -- State Appropriation (FY 2009)	((\$4,477,998,000))
<u>\$4,510,419,000</u>	
Education Legacy Trust Account--State	
Appropriation	((\$9,373,000))
<u>\$9,387,000</u>	
Pension Funding Stabilization Account Appropriation	\$341,624,000
TOTAL APPROPRIATION	((\$9,265,714,000))
<u>\$9,298,149,000</u>	

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

- (1) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.
- (2) Allocations for certificated staff salaries for the 2007-08 and 2008-09 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) Forty-nine certificated instructional staff units per thousand full-time equivalent students in grades K-3;

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

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

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

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

(C) Any district maintaining a ratio in grades K-4 equal to or greater than 53.2 certificated instructional staff per thousand full-time equivalent students may use allocations generated under this subsection (2)(a)(iv) in excess of that required to maintain the minimum ratio established under RCW 28A.150.260(2)(b) to employ additional basic education certificated instructional staff or classified instructional assistants in grades 5-6. Funds allocated under this subsection (2)(a)(iv) shall only be expended to reduce class size in grades K-6. No more than 1.3 of the certificated instructional funding ratio amount may be expended for provision of classified instructional assistants;

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

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

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

(B) Skills center programs meeting the standards for skills center funding established in January 1999 by the superintendent of public instruction with a waiver allowed for skills centers in current operation that are not meeting this standard until the 2008-09 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 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 (g)(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

(i) 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 2007-08 and 2008-09 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 (i) 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 14.11 percent in the 2007-08 school year and 16.75 percent in the 2008-09 school year for certificated salary allocations provided under subsection (2) of this section, and a rate of 17.04 percent in the 2007-08 school year and 18.72 percent in the 2008-09 school year for classified salary allocations provided under subsection (3) of this section.

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

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

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

(6)(a) For nonemployee-related costs associated with each certificated staff unit allocated under subsection (2)(a), (b), and (d) through (h) of this section, there shall be provided a maximum of \$9,703 per certificated staff unit in the 2007-08 school year and a maximum of \$10,178 per certificated staff unit in the 2008-09 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 \$23,831 per certificated staff unit in the 2007-08 school year and a maximum of \$24,999 per certificated staff unit in the 2008-09 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 \$18,489 per certificated staff unit in the 2007-08 school year and a maximum of \$19,395 per certificated staff unit in the 2008-09 school year.

(7) Allocations for substitute costs for classroom teachers shall be distributed at a maintenance rate of \$555.20 for the 2007-08 and 2008-09 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) \$1,870,000 of the general fund--state appropriation for fiscal year 2008 and \$2,421,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to implement Engrossed Second Substitute House Bill No. 1432 (granting service credit to educational staff associates for nonschool employment).

(10) The superintendent may distribute a maximum of (~~(\$16,620,000)~~) \$16,634,000 outside the basic education formula during fiscal years 2008 and 2009 as follows:

(a) For fire protection for school districts located in a fire protection district as now or hereafter established pursuant to chapter 52.04 RCW, a maximum of \$547,000 may be expended in fiscal year 2008 and a maximum of \$567,000 may be expended in fiscal year 2009;

(b) For summer vocational programs at skills centers, a maximum of \$2,385,000 may be expended for the 2008 fiscal year and a maximum of \$2,385,000 for the 2009 fiscal year. 20 percent of each fiscal year amount may carry over from one year to the next;

(c) A maximum of \$393,000 may be expended for school district emergencies;

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

(e) (~~(\$9,373,000)~~) \$9,387,000 of the education legacy trust account appropriation is provided solely for allocations for equipment replacement in vocational programs and skills centers. Each year of the biennium, the funding shall be allocated based on \$75 per full-time equivalent vocational student and \$125 per full-time equivalent skills center student.

(f) Within the amounts appropriated in this section, funding is for the implementation of Second Substitute Senate Bill No. 5790 (regarding skills centers).

(11) For purposes of RCW 84.52.0531, the increase per full-time equivalent student is 5.7 percent from the 2006-07 school year to the 2007-08 school year and 6.0 percent from the 2007-08 school year to the 2008-09 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 (h) of this section, the following shall apply:

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

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

(13) The appropriation levels in part V of this act assume implementation of the reimbursement provisions of Senate Bill No. 6450 (school district reimbursement of performance audits).

Sec.1403 2008 c 329 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 2008)	\$161,280,000
General Fund -- State Appropriation (FY 2009)	(\$405,228,000)
	<u>\$407,478,000</u>
General Fund -- Federal Appropriation	(\$275,000)
	<u>\$276,000</u>
TOTAL APPROPRIATION	(\$566,783,000)
	<u>\$569,034,000</u>

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

(1) ~~(\$500,195,000)~~ \$502,039,000 is provided solely for the following:

(a) A cost of living adjustment of 3.7 percent effective September 1, 2007, and another 3.9 percent effective September 1, 2008, pursuant to Initiative Measure No. 732.

(b) An additional .5 percent cost of living adjustment is provided above the amount required by Initiative Measure No. 732, effective September 1, 2008.

(c) Additional salary increases 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 increases shall be provided to all 262 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. These additional salary increases will result in a decrease in the number of grandfathered districts from the current thirty-four to twenty-four in the 2007-08 school year and to twelve in the 2008-09 school year.

(d) Additional salary increases 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 additional salary increases shall ensure a minimum salary allocation for certificated administrative staff of \$54,405 in the 2007-08 school year and \$57,986 in the 2008-09 school year.

(e) Additional salary increases 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 additional salary increases ensure a minimum salary allocation for classified staff of \$30,111 in the 2007-08 school year and \$31,865 in the 2008-09 school year.

(f) The appropriations in this subsection (1) include associated incremental fringe benefit allocations at rates 13.47 percent for the 2007-08 school year and 16.11 percent for the 2008-09 school year for certificated staff and 13.54 percent for the 2007-08 school year and 15.22 percent for the 2008-09 school year for classified staff.

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

(h) The appropriations in this section provide cost of living and incremental fringe benefit allocations based on formula adjustments as follows:

	School Year	
	2007-08	2008-09
Pupil Transportation (per weighted pupil mile)	\$1.08	\$2.46
Highly Capable (per formula student)	\$11.13	\$25.51
Transitional Bilingual Education (per eligible bilingual student)	\$29.80	\$68.33
Learning Assistance (per formula student)	\$7.00	\$18.86

(i) The appropriations in this section include \$925,000 for fiscal year 2008 and (~~(\$2,314,000)~~) \$2,322,000 for fiscal year 2009 for salary increase adjustments for substitute teachers.

(2) (~~(\$66,591,000)~~) \$66,719,000 is provided for adjustments to insurance benefit allocations. The maintenance rate for insurance benefit allocations is \$682.54 per month for the 2007-08 and 2008-09 school years. The appropriations in this section provide for a rate increase to \$707.00 per month for the 2007-08 school year and \$732.00 per month for the 2008-09 school year. The adjustments to health insurance benefit allocations are at the following rates:

	School Year	
	2007-08	2008-09
Pupil Transportation (per weighted pupil mile)	\$0.22	\$0.45
Highly Capable (per formula student)	\$1.50	\$3.05
Transitional Bilingual Education (per eligible bilingual student)	\$3.96	\$8.01
Learning Assistance (per formula student)	\$0.86	\$2.05

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

Sec. 1404 2008 c 329 s 505 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION -- FOR PUPIL TRANSPORTATION

General Fund -- State Appropriation (FY 2008)	\$273,409,000
General Fund -- State Appropriation (FY 2009)	(\$276,510,000)
	<u>\$291,499,000</u>
Education Legacy Trust Account--State Appropriation	\$25,000,000
TOTAL APPROPRIATION	(\$574,919,000)
	<u>\$589,908,000</u>

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 \$848,000 of this fiscal year 2008 appropriation and a maximum of \$878,000 of the fiscal year 2009 appropriation may be expended for regional transportation coordinators and related activities. The transportation coordinators shall ensure that data submitted by school districts for state transportation funding shall, to the greatest extent practical, reflect the actual transportation activity of each district.

(3) \$5,000 of the fiscal year 2008 appropriation and \$5,000 of the fiscal year 2009 appropriation are provided solely for the transportation of students enrolled in "choice" programs. Transportation shall be limited to low-income students who are transferring to "choice" programs solely for educational reasons.

(4) Allocations for transportation of students shall be based on reimbursement rates of \$44.84 per weighted mile in the 2007-08 school year and \$45.68 per weighted mile in the 2008-09 school year exclusive of salary and benefit adjustments provided in section 504 of this act. Allocations for transportation of students transported more than one radius mile shall be based on weighted miles as determined by superintendent of public instruction multiplied by the per mile reimbursement rates for the school year pursuant to the formulas adopted by the superintendent of public instruction. Allocations for transportation of students living within one radius mile shall be based on the number of enrolled students in grades kindergarten through five living within one radius mile of their assigned school multiplied by the per mile reimbursement rate for the school year multiplied by 1.29.

(5) \$25,000,000 of the education legacy trust account--state appropriation is provided solely for temporary assistance to school districts for pupil transportation programs. The office of the superintendent of public instruction, in consultation with the joint legislative audit and review committee, will develop a method of allocating these funds to school districts. The allocation method shall be based primarily on the findings and analysis from the joint legislative and audit review committee's K-12 pupil transportation study completed in December 2006.

(6) 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.

(7) The superintendent of public instruction shall base depreciation payments for school district buses on the five-year average of lowest bids in the appropriate category of bus. In the final year on the depreciation schedule, the depreciation payment shall be based on the lowest bid in the appropriate bus category for that school year.

Sec. 1405 2008 c 329 s 506 (uncodified) is amended to read as follows:

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

General Fund -- State Appropriation (FY 2008)	\$543,469,000
General Fund -- State Appropriation (FY 2009)	(\$581,925,000)
	<u>\$580,312,000</u>
General Fund -- Federal Appropriation	(\$435,692,000)
	<u>\$438,852,000</u>
Education Legacy Trust Account--State	
Appropriation	\$14,561,000
TOTAL APPROPRIATION	(\$1,575,647,000)

\$1,577,194,000

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 adopt 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, and ensure that all school districts adopt the method beginning in the 2007-08 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) 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 2007-08 and 2008-09 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.

(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, (~~(\$53,926,000)~~) \$56,553,000 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.

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

(14) \$50,000 of the general fund--state appropriation for fiscal year 2008, \$50,000 of the general fund--state appropriation for fiscal 2009, 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. The purpose of the program is to provide support to parents, guardians, educators, and students with disabilities. The program will provide information to help families and educators understand state laws, rules, and regulations, and access training and support, technical information services, and mediation services. The ombudsman program will provide data, information, and appropriate recommendations to the office of superintendent of public instruction, school districts, educational service districts, state need projects, and the parent and teacher information center. Within the appropriations in this section there is sufficient funding provided to also provide at least a half-time support staff position for the special education ombudsman program.

(15) 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.

(16) A maximum of \$1,200,000 of the general fund -- federal appropriation may be expended by the superintendent for projects related to use of inclusion strategies by school districts for provision of special education services.

(17) The superintendent, consistent with the new federal IDEA reauthorization, shall continue to educate school districts on how to implement a birth-to-three program and review the cost effectiveness and learning benefits of early intervention.

(18) 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.

(19) \$262,000 of the general fund--state appropriation for fiscal year 2008 and \$251,000 of the general fund--state appropriation for fiscal year 2009 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.

Sec. 1406 2008 c 329 s 508 (uncodified) is amended to read as follows:

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

General Fund -- State Appropriation (FY 2008)	\$203,555,000
General Fund -- State Appropriation (FY 2009)	(\$220,100,000)
<u>\$224,514,000</u>	
TOTAL APPROPRIATION	(\$423,655,000)
<u>\$428,069,000</u>	

Sec. 1407 2008 c 329 s 509 (uncodified) is amended to read as follows:

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

General Fund -- State Appropriation (FY 2008)	\$19,105,000
General Fund -- State Appropriation (FY 2009)	(\$19,764,000)
<u>\$21,664,000</u>	
TOTAL APPROPRIATION	(\$38,869,000)
<u>\$40,769,000</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) \$187,000 of the general fund -- state appropriation for fiscal year 2008 and ~~(\$133,797)~~ \$329,000 of the general fund -- state appropriation for fiscal year 2009 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. 1408 2008 c 329 s 510 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION -- FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund -- State Appropriation (FY 2008)	\$8,383,000
General Fund -- State Appropriation (FY 2009)	(\$8,788,000)
	<u>\$8,776,000</u>
TOTAL APPROPRIATION	(\$17,171,000)
	<u>\$17,159,000</u>

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 \$372.15 per funded student for the 2007-08 school year and ~~(\$378.13)~~ \$378.32 per funded student for the 2008-09 school year, exclusive of salary and benefit adjustments pursuant to section 504 of this act. The number of funded students shall be a maximum of 2.314 percent of each district's full-time equivalent basic education enrollment.
- (3) \$170,000 of the fiscal year 2008 appropriation and \$170,000 of the fiscal year 2009 appropriation are provided for the centrum program at Fort Worden state park.
- (4) \$90,000 of the fiscal year 2008 appropriation and \$90,000 of the fiscal year 2009 appropriation are provided for the Washington destination imagination network and future problem-solving programs.

Sec. 1409 2008 c 329 s 512 (uncodified) is amended to read as follows:

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

General Fund -- State Appropriation (FY 2008)	\$65,595,000
General Fund -- State Appropriation (FY 2009)	(\$69,560,000)
	<u>\$68,924,000</u>
General Fund -- Federal Appropriation	\$45,243,000
TOTAL APPROPRIATION	(\$180,398,000)
	<u>\$179,762,000</u>

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 \$824.12 per eligible bilingual student in the 2007-08 school year and \$840.64 in the 2008-09 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.

(6) Pursuant to RCW 28A.150.260, during the 2007-09 biennium, the office of the superintendent of public instruction shall not make exit of the transitional bilingual program contingent on passing both the Washington language proficiency test and the Washington assessment of student learning without prior legislative approval.

Sec. 1410 2009 c 4 s 504 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION -- EDUCATION REFORM PROGRAMS

General Fund -- State Appropriation (FY 2008)	\$66,272,000
General Fund -- State Appropriation (FY 2009)	(\$84,636,000)
<u>\$84,663,000</u>	
Education Legacy Trust Account--State	
Appropriation	\$117,890,000
General Fund -- Federal Appropriation	(\$152,568,000)
<u>\$158,499,000</u>	
TOTAL APPROPRIATION	(\$421,366,000)
<u>\$427,324,000</u>	

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

(1) \$19,716,000 of the general fund -- state appropriation for fiscal year 2008, ((\$20,948,000)) \$22,096,000 of the general fund -- state appropriation for fiscal year 2009, \$1,350,000 of the education legacy trust account--state appropriation, and ((\$15,870,000)) \$18,236,000 of the general fund -- federal appropriation are provided solely for development and implementation of the Washington assessments of student learning (WASL), including: (i) Development and implementation of retake assessments for high school students who are not successful in one or more content areas of the WASL; 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 WASL results, on or around June 10th of each year. In addition to the amounts provided for the Washington assessments of student learning in this subsection, \$11,372,000 is also included in the appropriations to the office of financial management in this act for an interagency agreement with the office of superintendent of public instruction for the expenditure of those funds based on compliance with certain requirements.

(2) \$3,249,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for the implementation of Substitute House Bill No. 3166 (design of the state assessment system and the Washington assessment of student learning), including section 3 of the act providing for end-of-course tests in math. If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(3) \$250,000 of the general fund--state appropriation for fiscal year 2008, \$250,000 of the general fund--state appropriation for fiscal year 2009, and \$1,630,000 of the education legacy trust account--state appropriation is provided solely for the development and implementation of diagnostic assessments, subject to the following terms and conditions:

(a) A maximum of \$2,540,000 of the funding provided in this subsection shall support the development and implementation of voluntary classroom-based diagnostic assessments and progress monitoring tools for all subject areas included in the WASL by the office of the superintendent of public instruction; and

(b) \$2,360,000 of the funding provided in this subsection is for allocations to school districts to purchase assessment tools which supplement the system of diagnostic tests developed by the office of the superintendent of public instruction as described in (a) of this subsection.

(4) Within the amounts appropriated in this section, funding is for second grade assessments.

(5) \$1,414,000 of the general fund--state appropriation for fiscal year 2008 (~~and~~) is provided solely for (a) the tenth grade mathematics assessment tool that: (i) Presents the mathematics essential learnings in segments for assessment; (ii) is comparable in content and rigor to the tenth grade mathematics WASL when all segments are considered together; (iii) is reliable and valid; and (iv) can be used to determine a student's academic performance level; (b) tenth grade mathematics knowledge and skill learning modules to teach middle and high school students specific skills that have been identified as areas of difficulty for tenth grade students; and (c) making the modules available on-line.

(6) \$1,966,000 of the general fund--state appropriation for fiscal year 2009 and \$2,337,000 of the education legacy trust account appropriation are provided solely to develop a system of mathematics and science standards and instructional materials that are internationally competitive and consistent with emerging best practices research. Funding in this subsection shall fund all of the following specific projects:

(a) The office of the superintendent of public instruction shall adopt revised state standards in mathematics as directed by Second Substitute House Bill No. 1906 (improving mathematics and science education). Activities include conducting research at the request of the state board of education, engaging one or more national experts in mathematics selected by the board, and convening education practitioners and community members in an advisory capacity regarding revised standards in mathematics.

(b) The office of the superintendent of public instruction, in consultation with the state board of education, shall research and identify not more than three basic mathematics curricula as well as diagnostic and supplemental instructional materials for elementary, middle, and high school grade spans that align with the revised mathematics standards.

(c) The office of the superintendent of public instruction shall adopt revised state standards in science as directed by Second Substitute House Bill No. 1906 (improving mathematics and science education). Activities include conducting research at the request of the state board of education, engaging one or more national experts in science selected by the board, and convening education practitioners and community members in an advisory capacity regarding revised standards in science.

(d) The office of the superintendent of public instruction, in consultation with the state board of education, shall research and identify not more than three basic science curricula as well as diagnostic and supplemental instructional materials for elementary, middle, and high school grade spans that align with the revised science standards.

(e) The office of the superintendent of public instruction shall evaluate science textbooks, instructional materials, and diagnostic tools to determine the extent to which they are aligned with the revised science standards. Once the evaluations have been conducted, results will be shared with science teachers, other educators, and community members.

(f) Funding is provided for the office of the superintendent of public instruction to develop

WASL knowledge and skill learning modules to assist students performing at tenth grade level 1 and level 2 in science.

(g) Of the amounts provided in this subsection, \$300,000 is provided solely to the state board of education to increase capacity to implement the provisions of Second Substitute House Bill No. 1906 (improving mathematics and science education) and Engrossed Second Substitute Senate Bill No. 6023 (regarding alternative assessments).

(7) \$8,950,000 of the education legacy trust account appropriation is for allocations to districts for salaries and benefits for the equivalent of two additional professional development days each school year for fourth and fifth grade teachers. 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. Allocations made pursuant to this subsection are intended to be formula-driven, and the office of the superintendent of public instruction shall provide updated projections of the relevant budget drivers by November 20, 2007, and by November 20, 2008. In the 2007-08 school year, the professional development activities funded by this subsection shall be focused on development of mathematics knowledge and instructional skills and on improving instruction in science. In the 2008-09 school year, the additional professional development shall focus on skills related to implementing the new international mathematics and science standards and curriculum. Districts may use the funding to support additional days for professional development as well as job-embedded forms of professional development.

(8) \$13,058,000 of the education legacy trust fund appropriation is for allocations to districts for salaries and benefits for the equivalent of three additional professional development days for middle and high school math teachers and the equivalent of three additional professional development days for middle and high school science teachers. The office of the superintendent of public instruction shall develop rules to determine the number of math and science teachers in middle and high schools within each district. Allocations made pursuant to this subsection are intended to be formula-driven, and the office of the superintendent of public instruction shall provide updated projections of the relevant budget drivers by November 20, 2007, and by November 20, 2008. Districts may use the funding to support additional days for professional development as well as job-embedded forms of professional development, consistent with the following:

(a) For middle school teachers during the 2007-08 school year the additional math professional development funded in this subsection shall focus on development of basic mathematics knowledge and instructional skills and the additional science professional development shall focus on examination of student science assessment data and identification of science knowledge and skill areas in need of additional instructional attention. For middle school teachers during the 2008-09 school year the additional math professional development shall focus on skills related to implementing the new international mathematics standards and the additional science professional development shall focus on skills related to implementing the new international science standards.

(b) For high school teachers during the 2007-08 school year the additional math professional development funded in this subsection shall focus on skills related to implementing state math learning modules, the segmented math class/assessment program, the collection of evidence alternative assessment, and basic mathematics knowledge and instructional skills, and the additional science professional development shall focus on skills related to examination of student science assessment data and identification of science knowledge and skill areas in need

of additional instructional attention. For high school teachers during the 2008-09 school year the additional math professional development shall focus on skills related to implementing the new international mathematics standards and the additional science professional development shall focus on skills related to implementing the new international science standards.

(9) \$17,491,000 of the education legacy trust fund appropriation is for allocations to districts for specialized professional development in math for one math teacher and one science teacher in each middle school and one math teacher and one science teacher in each high school. The allocations shall be based on five additional professional development days per teacher and an additional allocation per teacher of \$1,500 for training costs. In order to generate an allocation under this subsection, a teacher must participate in specialized professional development that leads to the implementation of mathematics and science courses that add new rigor to the math and science course offerings in the school. Allocations made pursuant to this subsection are intended to be formula-driven, and the office of the superintendent of public instruction shall provide updated projections of the relevant budget drivers by November 20, 2007, and by November 20, 2008.

(10) \$5,376,000 of the education legacy trust account--state appropriation is provided solely for a math and science instructional coaches program pursuant to Second Substitute House Bill No. 1906 (improving mathematics and science education). Funding shall be used to provide grants to schools and districts to provide salaries, benefits, and professional development activities to twenty-five instructional coaches in middle and high school math in the 2007-08 and 2008-09 school years and twenty-five instructional coaches in middle and high school science in the 2008-09 school years; and up to \$300,000 may be used by the office of the superintendent of public instruction to administer and coordinate the program. Each instructional coach will receive five days of training at a coaching institute prior to being assigned to serve two schools each. These coaches will attend meetings during the year to further their training and assist with coordinating statewide trainings on math and science.

(11) \$1,133,000 of the general fund--state appropriation for fiscal year 2008 and \$1,133,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to allow approved middle and junior high school career and technical education programs to receive enhanced vocational funding pursuant to Second Substitute House Bill No. 1906 (improving mathematics and science education). 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. 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 adjust funding to stay within the amounts provided in this subsection.

(12) Within the amounts appropriated in this section, funding is 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.

(13) Within the amounts appropriated in this section, funding is for in-service training and educational programs conducted by the Pacific science center and for the Washington state leadership assistance for science education reform (LASER) regional partnership coordinated at the Pacific science center.

(14) \$51,701,000 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 Engrossed Second Substitute Senate Bill 5841 (enhancing student learning opportunities and achievement). 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 10 percent of kindergarten enrollment in the 2007-08 school year and 20 percent of kindergarten enrollment in the 2008-09 school year. 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.

(15) Within the amounts appropriated in this section, funding is for support of a full-day kindergarten "lighthouse" resource program at the Bremerton school district, as provided in Engrossed Second Substitute Senate Bill No. 5841 (enhancing student learning opportunities and achievement). The purpose of the program is to provide technical assistance to districts in the initial stages of implementing a high quality full-day kindergarten program.

(16) Within the amounts appropriated in this section, funding is for grants for three demonstration projects for kindergarten through grade three. The purpose of the grants is to implement best practices in developmental learning in kindergarten through third grade pursuant to Engrossed Second Substitute Senate Bill No. 5841 (enhancing student learning opportunities and achievement).

(17) \$300,000 of the general fund--state appropriation for fiscal year 2008 and \$1,000,000 of the general fund--state appropriation for fiscal year 2009 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.

(18) Within the amounts appropriated in this section, funding is for grants to school districts to implement emerging best practices activities in support of classroom teachers' instruction of

students, with a first language other than English, who struggle with acquiring academic English skills, as outlined in Engrossed Second Substitute Senate Bill No. 5841 (enhancing student learning opportunities and achievement). Best practices shall focus on professional development for classroom teachers and support of instruction for English language learners in regular classrooms. School districts qualifying for these grants shall serve a student population that reflects many different first languages among their students. The Northwest educational research laboratory (NWREL) shall evaluate the effectiveness of the practices supported by the grants as provided in section 501 of this act. Recipients of these grants shall cooperate with NWREL in the collection of program data.

(19) Within the amounts appropriated in this section, funding is for training of paraprofessional classroom assistants and certificated staff who work with classroom assistants as provided in RCW 28A.415.310.

(20) Within the amounts appropriated in this section, funding is provided for mentor teacher assistance, including state support activities, under RCW 28A.415.250 and 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in this subsection may be used each fiscal year to operate a mentor academy to help districts provide effective training for peer mentors. Funds for the teacher assistance program shall be allocated to school districts based on the number of first year beginning teachers.

(21) Within the amounts appropriated in this section, funding is for the leadership internship program for superintendents, principals, and program administrators.

(22) \$105,765,000 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.

(23) Within the amounts appropriated in this section, funding is for a principal support program. The office of the superintendent of public instruction may contract with an independent organization to administer the program. The program shall include: (a) Development of an individualized professional growth plan for a new principal or principal candidate; and (b) participation of a mentor principal who works over a period of between one and three years with the new principal or principal candidate to help him or her build the skills identified as critical to the success of the professional growth plan. Within the amounts provided, \$25,000 per year shall be used to support additional participation of secondary principals.

(24) Within the amounts appropriated in this section, funding is for the office of the superintendent of public instruction for focused assistance. The office of the superintendent of public instruction shall conduct educational audits of low-performing schools and enter into performance agreements between school districts and the office to implement the recommendations of the audit and the community. Each educational audit shall include recommendations for best practices and ways to address identified needs and shall be presented to the community in a public meeting to seek input on ways to implement the audit and its recommendations.

(25) Within the amounts appropriated in this section, funding is for a high school and school district improvement program modeled after the office of the superintendent of public instruction's existing focused assistance program in subsection (25)(b) of this section. The state funding for this improvement program will match an equal amount committed by a nonprofit foundation in furtherance of a jointly funded program.

(26) Within the amounts appropriated in this section, funding is for summer accountability institutes offered by the superintendent of public instruction. The institutes shall provide school

district staff with training in the analysis of student assessment data, information regarding successful district and school teaching models, research on curriculum and instruction, and planning tools for districts to improve instruction in reading, mathematics, language arts, social studies, including civics, and guidance and counseling. The superintendent of public instruction shall offer at least one institute specifically for improving instruction in mathematics in fiscal years 2008 and 2009 and at least one institute specifically for improving instruction in science in fiscal year 2009.

(27) Within the amounts appropriated in this section, funding is for the evaluation of mathematics textbooks, other instructional materials, and diagnostic tools to determine the extent to which they are aligned with the state standards. Once the evaluations have been conducted, results will be shared with math teachers, other educators, and community members for the purposes of validating the conclusions and then selecting up to three curricula, supporting materials, and diagnostic instruments as those best able to assist students to learn and teachers to teach the content of international standards. In addition, the office of the superintendent shall continue to provide support and information on essential components of comprehensive, school-based reading programs.

(28) Within the amounts appropriated in this section, funding is for the mathematics helping corps subject to the following conditions and limitations:

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

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

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

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

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

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

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

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

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

(29) Within the amounts appropriated in this section, funding is for the improvement of reading achievement and implementation of research-based reading models. The superintendent shall evaluate reading curriculum programs and other instructional materials to determine the extent to which they are aligned with state standards. A report of the analyses shall be made available to school districts. The superintendent shall report to districts the assessments that are

available to screen and diagnose reading difficulties, and shall provide training on how to implement a reading assessment system. Resources may also be used to disseminate grade level expectations and develop professional development modules and web-based materials.

(30) \$30,706,000 of the general fund -- federal appropriation is provided for the reading first program under Title I of the no child left behind act.

(31) \$500,000 of the general fund -- state appropriation for fiscal year 2008 is provided solely for the office of the superintendent of public instruction to award five grants to parent, community, and school district partnership programs that will meet the unique needs of different groups of students in closing the achievement gap. The legislature intends that the pilot programs will help students meet state learning standards, achieve the skills and knowledge necessary for college or the workplace, reduce the achievement gap, prevent dropouts, and improve graduation rates.

(a) The pilot programs shall be designed in such a way as to be supplemental to educational services provided in the district and shall utilize a community partnership based approach to helping students and their parents.

(b) The grant recipients shall work in collaboration with the office of the superintendent of public instruction to develop measurable goals and evaluation methodologies for the pilot programs. \$25,000 of this appropriation may be used by the office of the superintendent of public instruction to hold a statewide meeting to disseminate successful strategies developed by the grantees.

(c) The office of the superintendent of public instruction shall issue a report to the legislature in the 2009 session on the progress of each of the pilot programs.

(32) Within the amounts appropriated in this section, funding is for the office of the superintendent of public instruction to support and award Washington community learning center program grants pursuant to Engrossed Second Substitute Senate Bill No. 5841 (enhancing student learning opportunities and achievement). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(33) Within the amounts appropriated in this section, funding is for the elimination of the lunch co-pay for students in grades kindergarten through third grade that are eligible for reduced price lunch.

(34) Within the amounts appropriated in this section, funding is for the development of mathematics support activities provided by community organizations in after school programs. Pursuant to Second Substitute House Bill No. 1906 (improving mathematics and science education), the office of the superintendent of public instruction shall administer grants to community organizations that partner with school districts to provide these activities and develop a mechanism to report program and student success.

(35) Within the amounts appropriated in this section, funding is 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.

(36) Within the amounts appropriated in this section, funding is 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 2007 through August 31, 2009.

(37) Within the amounts appropriated in this section, funding is 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.

(38) Within the amounts appropriated in this section, funding is for improving technology infrastructure, monitoring and reporting on school district technology development, promoting standards for school district technology, promoting statewide coordination and planning for technology development, and providing regional educational technology support centers, including state support activities, under chapter 28A.650 RCW. The superintendent of public instruction shall coordinate a process to facilitate the evaluation and provision of online curriculum courses to school districts which includes the following: Creation of a general listing of the types of available online curriculum courses; a survey conducted by each regional educational technology support center of school districts in its region regarding the types of online curriculum courses desired by school districts; a process to evaluate and recommend to school districts the best online courses in terms of curriculum, student performance, and cost; and assistance to school districts in procuring and providing the courses to students.

(39) Within the amounts appropriated in this section, funding is for the development and posting of web-based instructional tools, assessment data, and other information that assists schools and teachers implementing higher academic standards.

(40) Within the amounts appropriated in this section, funding is for the operation of the center for the improvement of student learning pursuant to RCW 28A.300.130.

(41) Within the amounts appropriated in this section, funding is for one-time allocations for technology upgrades and improvements. The funding shall be allocated based on \$3,000 for each elementary school, \$6,000 for each middle or junior high school, and \$11,000 for each high school. In cases where a particular school's grade span or configuration does not fall into these categories, the office of superintendent of public instruction will develop an allocation to that school that recognizes the unique characteristics but maintains the proportionate allocation identified in this subsection.

(42) Within the amounts appropriated in this section, funding is for costs associated with office of the superintendent of public instruction establishing a statewide director of technology position pursuant to Second Substitute House Bill No. 1906 (improving mathematics and science education).

(43)(a) Within the amounts appropriated in this section, funding is 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 in fiscal year 2008 and adjusted for inflation in fiscal year 2009. Beginning in the 2007-2008 school year and thereafter, national board certified teachers who become public school principals shall continue to receive this bonus for as long as they are principals and maintain the national board certification;

(ii) During the 2007-2008 school year, for national board certified teachers who teach in schools where at least 70 percent of student headcount enrollment is eligible for the federal free or reduced price lunch program, an additional \$5,000 annual bonus to be paid in one lump sum. Beginning in the 2008-2009 school year and thereafter, 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; and

(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.

(b) Included in the amounts provided in this subsection are amounts for mandatory fringe benefits. Unless Senate Bill No. 6657 (salary bonuses for individuals certified by the national board for professional teaching standards) is enacted by June 30, 2008, the annual bonus shall not be included in the definition of "earnable compensation" under RCW 41.32.010(10).

(c) For purposes of this subsection, "the percent of the student headcount enrollment eligible for the federal free or reduced price lunch program" shall be defined as: (i) For the 2007-08 and the 2008-09 school years, schools in which the prior year percentage of students eligible for the federal free and reduced price lunch program meets the criteria specified in subsection (41)(a)(ii) of this section; and (ii) in the 2008-09 school year, any school that met the criterion in (c)(i) of this subsection in the 2007-08 school year.

(d) Within the amounts appropriated in this subsection, the office of superintendent of public instruction shall revise rules to allow teachers who hold valid, unexpired certification from the national board for professional teaching standards and who are teaching at the Washington school for the deaf or Washington school for the blind, to receive the annual bonus amounts specified in this subsection if they are otherwise eligible.

(44) Within the amounts appropriated in this section, funding is for the implementation of Second Substitute Senate Bill No. 6377 (career and technical education).

(45) \$3,900,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for an allocation of four dollars and nine cents per full-time equivalent student, or as much as the funding in this subsection will allow, to maintain and improve library materials, collections, and services. The funding provided in this subsection shall be used to augment current funding for librarian programs provided through basic education and other existing funding mechanisms. In order to receive allocations under this section, school districts must agree that to the maximum extent possible they will ensure that library programs and services are equitably provided throughout the district.

(46) Within the amounts appropriated in this section, funding is for the implementation of Second Substitute Senate Bill No. 6483 (local farms-healthy kids and communities).

(47) Within the amounts appropriated in this section, funding is for the implementation of Engrossed Second Substitute Senate Bill No. 6673 (student learning opportunities) which requires the office of the superintendent of public instruction to explore online curriculum support in languages other than English.

(48) Within the amounts appropriated in this section, funding is for grants to five skills centers to develop and plan for implementation of integrated English language development/career skills programs that pair English language development teachers with career/technical education instructors in the classroom. The office of the superintendent of public instruction and skill center staff shall work with the state board for community and technical colleges I-BEST program staff and local community and technical college program staff to develop the program to assure critical program elements are included and that the skill center

programs provide a seamless transition for high school students to the community and technical college programs for students choosing that pathway. The request for proposal or grant application shall be issued no later than May 1, 2008, so that grant recipients can begin program planning and development efforts on July 1, 2008. The superintendent of public instruction shall provide the resulting implementation plans to the governor and the appropriate committees of the legislature by November 1, 2008.

(49) Within the amounts appropriated in this section, funding is for support of public high schools' participation in the FIRST robotics program. The office of the superintendent of public instruction shall issue grants not to exceed \$10,000 per school to be used for teacher stipends, registration fees, equipment, and other costs associated with direct participation in the program. High-poverty schools and schools starting up robotics programs shall be given priority in funding.

(50) In addition to other reductions, the reduced appropriations in this section reflect an additional (~~(\$499,000)~~) \$602,000 reduction in administrative costs required by Engrossed Substitute Senate Bill No. 5460 (reducing 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.

Sec. 1411 2009 c 4 s 505 (uncodified) is amended to read as follows:

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

General Fund -- State Appropriation (FY 2008)	\$68,381,000
General Fund -- State Appropriation (FY 2009)	((\$84,654,000))
	<u>\$86,268,000</u>
General Fund -- Federal Appropriation	\$360,660,000
Education Legacy Trust Account--State	
Appropriation	\$45,953,000
TOTAL APPROPRIATION	((\$559,648,000))
	<u>\$561,262,000</u>

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 \$220.34 per funded student for the 2007-08 school year and \$265.08 per funded student for the 2008-09 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 amounts allocated in (b) and (c) of this subsection, an additional amount shall be allocated to a school district for each school year in which the district's allocation is less than the amount the district received for the general fund -- state learning assistance program allocation in the 2004-05 school year. The amount of the allocation in this section shall be sufficient to maintain the 2004-05 school year allocation.

(e) If Second Substitute Senate Bill No. 6673 (student learning opportunities) is enacted by June 30, 2008, in addition to the amounts allocated in (b), (c), and (d) of this subsection, an additional amount shall be allocated to school districts with high concentrations of poverty and English language learner students beginning in the 2008-2009 school year, 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 (e)(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 (e)(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) The general fund -- federal appropriation in this section is provided for Title I Part A allocations of the no child left behind act of 2001.

(3) Small school districts are encouraged to make the most efficient use of the funding provided by using regional educational service district cooperatives to hire staff, provide professional development activities, and implement reading and mathematics programs consistent with research-based guidelines provided by the office of the superintendent of public instruction.

(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 the amounts appropriated in this section, funding is for the implementation of Engrossed Second Substitute Senate Bill No. 6673 (student learning opportunities) which establishes the extended learning program to provide additional instructional services for eligible students in grades eight, eleven, and twelve during the regular school day, evenings, on weekends, or at other times in order to meet the needs of these students. This funding is in addition to the estimated \$986,000 of associated compensation increases associated with this legislation in section 504 of this act.

Sec. 1412 2009 c 4 s 506 (uncodified) is amended to read as follows:

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

Student Achievement Account -- State Appropriation (FY 2008)	\$423,369,000
Student Achievement Account -- State Appropriation (FY 2009)	(\$436,910,000)
	<u>\$74,910,000</u>
General Fund--Federal Appropriation	\$362,000,000
TOTAL APPROPRIATION	\$860,279,000

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 \$450.00 per FTE student for the 2007- 08 school year and \$458.10 per FTE student for the 2008-09 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 schedule defined in RCW 28A.505.220.

Sec. 1413 2008 c 329 s 516 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION. (1) Appropriations made in this act to the office of superintendent of public instruction shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys

between sections of this act, 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, ~~((2008))~~ 2009, 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 ~~((2008))~~ 2009 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 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 2009 c 4 s 603 (uncodified) is amended to read as follows:

FOR THE UNIVERSITY OF WASHINGTON

General Fund -- State Appropriation (FY 2008)	\$373,726,000
General Fund -- State Appropriation (FY 2009)	\$358,727,000
General Fund -- Private/Local Appropriation	((300,000))
	<u>\$350,000</u>
Education Legacy Trust Account -- State Appropriation	\$43,181,000
Accident Account -- State Appropriation	\$6,513,000
Medical Aid Account -- State Appropriation	\$6,371,000
TOTAL APPROPRIATION	((788,818,000))
	<u>\$788,868,000</u>

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

(1) \$15,744,000 of the education legacy trust account--state appropriation is to expand general enrollments by 625 student FTEs in fiscal year 2008 and by an additional 625 student FTEs in fiscal year 2009. Of these, 165 FTEs in 2008 and 165 FTEs in 2009 are expected to be graduate student FTEs.

(2) \$6,975,000 of the education legacy trust account--state appropriation is to expand math and science undergraduate enrollments by 250 student FTEs in each fiscal year. The programs expanded shall include mathematics, engineering, and the physical sciences. The university shall provide data to the office of financial management that is required to track changes in enrollments, graduations, and the employment of college graduates related to state investments in math and science programs. Data may be provided through the public centralized higher education enrollment system or through an alternative means agreed to by the institutions and the office of financial management.

(3) \$85,000 of the general fund--state appropriation for fiscal year 2008 and \$85,000 of the

general fund--state appropriation for fiscal year 2009 are provided solely for operating support of the Washington state academy of sciences, authorized by chapter 70.220 RCW.

(4) \$100,000 of the general fund--state appropriation for fiscal year 2008 and \$100,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for operating support of the William D. Ruckelshaus center.

(5) \$500,000 of the education legacy trust account--state appropriation is provided solely to expand the number of TRIO eligible students served in the student support services program at the University of Washington by 250 students each year. TRIO students include low-income, first-generation, and college students with disabilities. The student support services program shall report annually to the office of financial management and the appropriate policy and fiscal committees of the legislature on the retention and completion rates of students served through this appropriation. Retention rates shall continue to exceed 85 percent for TRIO students in this program.

(6) \$84,000 of the general fund--state appropriation for fiscal year 2008 and \$84,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to establish the state climatologist position.

(7) \$25,000 of the general fund--state appropriation for fiscal year 2008 and \$125,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the William D. Ruckelshaus center to identify and carry out, or otherwise appropriately support, a process to identify issues that have led to conflict around land use requirements and property rights, and explore practical and effective ways to resolve or reduce that conflict. A report with conclusions and recommendations shall be submitted to the governor and the chairs of the appropriate committees of the legislature by October 31, 2007. Work will continue after the submission of the initial report, to include continuing research and the development of financial and policy options and a progress report on fact finding efforts and stakeholder positions due December 1, 2008.

(8) \$3,830,000 of the education legacy trust account--state appropriation is provided solely to expand health sciences capacity at the University of Washington. Consistent with the medical and dental school extension program appropriations at Washington State University and Eastern Washington University, funding is provided to expand classes at the University of Washington. Medical and dental students shall take the first year of courses for this program at the Riverpoint campus in Spokane and the second year of courses at the University of Washington in Seattle.

(9) The higher education coordinating board, the office of financial management, and the higher education institutions negotiated a set of performance measures, checkpoints, and targets in 2006. By July 31, 2007, the university and the board shall review and revise these targets based on per-student funding in the 2007-09 appropriations act. In addition, the board shall compile comparable data from peer institutions in the eight global challenge states identified in the Washington Learns study.

The checkpoints previously agreed by the board and the University of Washington are enumerated as follows:

(a) Increase the combined number of baccalaureate degrees conferred per year at all campuses to 8,850;

(b) Increase the combined number of high-demand baccalaureate degrees conferred at all campuses per year to 1,380;

(c) Increase the combined number of advanced degrees conferred per year at all campuses to 3,610;

- (d) Improve the six-year graduation rate for baccalaureate students to 74.7 percent;
- (e) Improve the three-year graduation rate for students who transfer with an associates degree to 76.0 percent;
- (f) Improve the freshman retention rate to 93.0 percent;
- (g) Improve time to degree for baccalaureate students to 92 percent at the Seattle campus and 92.5 percent at the Bothell and Tacoma campuses, measured by the percent of admitted students who graduate within 125 percent of the credits required for a degree; and
- (h) The institution shall provide a report on Pell grant recipients' performance within each of the measures included in this subsection.

The University of Washington shall report its progress and ongoing efforts toward meeting the provisions of this section to the higher education coordinating board prior to November 1, 2009.

(10) \$750,000 of the education legacy trust account appropriation is provided solely to increase participation in international learning opportunities, particularly for students with lower incomes who would otherwise not have the chance to study, work, or volunteer outside the United States.

(11) \$75,000 of the general fund--state appropriation for fiscal year 2008 and \$75,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for forestry research by the Olympic natural resources center.

(12) \$25,000 of the general fund--state appropriation for fiscal year 2008 and \$25,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for coastal marine research by the Olympic natural resources center.

(13) \$95,000 of the general fund--state appropriation for fiscal year 2008 and \$30,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for increased education, training, and support services for the families of children with autism, and for the production and distribution of digital video discs in both English and Spanish about strategies for working with people with autism.

(14) \$2,900,000 of the general fund--state appropriation for fiscal year 2008 and \$3,400,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for operating support for the department of global health.

(15) In an effort to introduce students to and inform students of post-secondary opportunities in Washington state, by October 1st of each year the university shall report to the higher education coordinating board progress towards developing and implementing outreach programs designed to increase awareness of higher education to K-12 populations.

(16) \$150,000 of the general fund--state appropriation for fiscal year 2008 is provided solely for the rural technology initiative (initiative) at the University of Washington and the transportation research group (group) at the Washington State University to conduct an economic analysis of the costs to safely provide log hauling services. The initiative will be the lead investigator and administer the project. Neither the University of Washington nor the Washington State University may make a deduction for administrative costs. The project shall rely upon the Washington state patrol for determination of basic safe characteristics, consistent with applicable state and federal law. The analysis shall include:

(a) An estimate of log haulers' cost to operate and maintain a basic and safe log truck without operator including:

- (i) Variable costs such as fuel, etc;
- (ii) Quasi-variable costs such as:

- (A) Tires, brakes, wrappers, and other safety related equipment;
- (B) Vehicle insurance, taxes, fees, etc;
- (C) Maintenance costs such as oil, lubrication, and minor repairs; and
- (D) Depreciation and replacement costs;

(b) The source of these cost estimates where possible should be independent vendors of equipment and services or already existing studies;

(c) A calculation of costs for safe operation expressed as per mile, hour or load volume including consideration for regional differences as well as off-road vs. on-road;

(d) An evaluation of comparable trucking services; and

(e) A review of log truck safety statistics in Washington state.

In conducting the analysis, the initiative shall consult with the northwest log truckers cooperative, the Washington trucking association, the Washington contract loggers association, the Washington farm forestry association, and the Washington forest protection association. By June 30, 2008, the initiative shall provide a report of its findings to the legislature and governor and distribute the findings to interested industry groups.

(17) \$500,000 of the general fund--state appropriation for fiscal year 2008 and \$500,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to the Burke museum to support science and social science educational programs including public outreach programs, new educational programs and resources, web-based interactive learning experiences, teacher training, and traveling educational opportunities.

(18) \$150,000 of the general fund--state appropriation for fiscal year 2008 and \$300,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to the institute for learning and brain sciences.

(19) \$30,000 of the general fund--state appropriation for fiscal year 2008 and \$30,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the University of Washington to gather data and conduct research associated with preparing the basin-wide assessment and to solicit nominations for review and submittal to the Washington academy of sciences for the creation of the Puget Sound science panel pursuant to Engrossed Second Substitute Senate Bill No. 5372 (Puget Sound partnership).

(20)(a) \$500,000 of the general fund--state appropriation for fiscal year 2008 is provided solely for the University of Washington school of law loan repayment assistance program endowment fund. The University of Washington shall conduct fund-raising activities to increase private sector support of the endowment program and \$250,000 of the appropriation in this subsection is contingent on a private sector match. Funds in the law school repayment assistance program endowment fund shall be used to provide graduates who pursue careers in public interest legal positions with payment assistance toward their student loan debt.

(b) The University of Washington law school shall report to the legislature by December 1, 2010, information about the loan repayment assistance program. The report shall contain at least the following information:

(i) A financial summary of the endowment program;

(ii) The number of individuals receiving assistance from the program and information related to the positions in which these individuals are working;

(iii) Any available information regarding the effect of the loan repayment assistance program on student recruitment and enrollment; and

(iv) Other information the school of law deems relevant to the evaluation of the program.

(c) In its rules for administering the program, the school of law must make provision for cases

of hardship or exceptional circumstances, as defined by the school of law. Examples of such circumstances include, but are not limited to, family leave, medical leave, illness or disability, and loss of employment.

(d) The loan repayment assistance program must be available to otherwise eligible graduates of the law school who work in positions with nonprofit organizations or government agencies. Such positions must be located within Washington state. Government agencies shall include the various branches of the military.

(21) \$54,000 of the general fund--state appropriation for fiscal year 2008 and \$54,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the University of Washington geriatric education center to develop 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.

(22) \$22,000 of the general fund--state appropriation for fiscal year 2008 and \$97,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the William D. Ruckelshaus center for implementation of section 5 of Engrossed Second Substitute House Bill No. 3123 (nurse staffing). If section 5 of the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

(23) \$1,000,000 of the general fund--state appropriation for fiscal year 2009 is provided solely to establish an e-Science institute that will provide infrastructure and consulting expertise to university researchers in advanced computational techniques needed to capture, store, organize, access, mine, visualize, and interpret massive data sets.

(24) \$50,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for incentive grants to support medical research or medical training projects focused upon improvement of services to persons with developmental disabilities. The university shall report to appropriate committees of the legislature by December 1, 2008, on incentive grants awarded, and other efforts to improve training for medical students in treating persons with developmental disabilities.

(25) When implementing reductions in fiscal year 2009, the University of Washington shall minimize impacts on academic programs, maximize reductions in administration, and not reduce enrollments below enrollment levels referenced in 2008 c 329 s 604 and section 601 of this act.

Sec. 1502 2009 c 4 s 606 (uncodified) is amended to read as follows:

FOR CENTRAL WASHINGTON UNIVERSITY

General Fund -- State Appropriation (FY 2008)	\$47,691,000
General Fund -- State Appropriation (FY 2009)	(\$45,272,000)
	<u>\$45,275,000</u>
Education Legacy Trust Account -- State	
Appropriation	\$16,219,000
Pension Funding Stabilization Account	
Appropriation	\$4,330,000
TOTAL APPROPRIATION	(\$113,512,000)

\$113,515,000

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

(1) \$2,474,000 of the education legacy trust account--state appropriation is to increase general enrollments by 70 FTE students in fiscal year 2008 and by an additional 211 FTE enrollments in fiscal year 2009. At least 30 of the additional fiscal year 2009 enrollments are expected to be graduate students.

(2) \$1,816,000 of the education legacy trust account--state appropriation for fiscal year 2008 is to increase math and science enrollments by 105 FTE students in fiscal year 2008 and by an additional 89 FTE students in fiscal year 2009. The university shall provide data to the office of financial management regarding math and science enrollments, graduations, and employment of college graduates related to state investments in math and science enrollment programs. Data may be provided through the centralized higher education enrollment system or through an alternative means agreed to by the institutions and the office of financial management.

(3) \$1,801,000 of the education legacy trust account--state appropriation is to increase high-demand undergraduate enrollments by 85 student FTEs in fiscal year 2008 and by an additional 70 FTE students in fiscal year 2009. The programs expanded shall include, but are not limited to, bilingual education and information technology. The university shall provide data to the office of financial management that is required to track changes in enrollments, graduations, and the employment of college graduates related to state investments in high-demand enrollment programs. Data may be provided through the public centralized higher education enrollment system or through an alternative means agreed to by the institutions and the office of financial management.

(4) \$500,000 of the education legacy trust account--state appropriation is provided solely to expand the number of TRIO eligible students served in the student support services program at Central Washington University by 250 students each year. TRIO students include low-income, first-generation, and college students with disabilities. The student support services program shall report annually to the office of financial management and the appropriate policy and fiscal committees of the legislature on the retention and completion rates of students served through this appropriation. Retention rates shall continue to exceed 85 percent for TRIO students in this program.

(5) The higher education coordinating board, the office of financial management, and the higher education institutions negotiated a set of performance measures, checkpoints, and targets in 2006. By July 31, 2007, the university and the board shall review and revise these targets based on per-student funding in the 2007-09 appropriations act. In addition, the board shall compile comparable data from peer institutions in the eight global challenge states identified in the Washington Learns study.

The checkpoints previously agreed by the board and the Central Washington University are enumerated as follows:

- (a) Increase the number of baccalaureate degrees conferred per year to 2,050;
- (b) Increase the number of high-demand baccalaureate degrees conferred per year to 49;
- (c) Increase the number of advanced degrees conferred per year at all campuses to 196;
- (d) Improve the six-year graduation rate for baccalaureate students to 51.1 percent;
- (e) Improve the three-year graduation rate for students who transfer with an associates degree to 72.3 percent;
- (f) Improve the freshman retention rate to 78.2 percent;

(g) Improve time to degree for baccalaureate students to 86.6 percent, measured by the percent of admitted students who graduate within 125 percent of the credits required for a degree; and

(h) The institution shall provide a report on Pell grant recipients' performance within each of the measures included in this section.

Central Washington University shall report its progress and ongoing efforts toward meeting the provisions of this section to the higher education coordinating board prior to November 1, 2009.

(6) \$500,000 of the education legacy trust account appropriation is provided solely to implement Engrossed Substitute House Bill No. 1497 (Central Washington University operating fee waivers). If the bill is not enacted by June 30, 2007, this appropriation shall lapse.

(7) In an effort to introduce students to and inform students of post-secondary opportunities in Washington state, by October 1st of each year the university shall report to the higher education coordinating board progress towards developing and implementing outreach programs designed to increase awareness of higher education to K-12 populations.

(8) When implementing reductions in fiscal year 2009, Central Washington University shall minimize impacts on academic programs, maximize reductions in administration, and not reduce enrollments below enrollment levels referenced in 2008 c 329 s 604 and section 601 of this act.

Sec. 1503 2009 c 4 s 609 (uncodified) is amended to read as follows:

**FOR THE HIGHER EDUCATION COORDINATING BOARD -- POLICY
COORDINATION AND ADMINISTRATION**

General Fund -- State Appropriation (FY 2008)	\$7,008,000
General Fund -- State Appropriation (FY 2009)	\$6,533,000
General Fund -- Federal Appropriation	\$4,333,000
TOTAL APPROPRIATION	\$17,874,000

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

(1) (~~(\$87,000 of the general fund--state appropriation for fiscal year 2008 and \$169,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to maintain and update a scholarship clearinghouse that lists every public and private scholarship available to Washington students)~~) Within the funds appropriated in this section, the board shall maintain and update a scholarship clearing house that lists every public and private scholarship available to Washington students. The higher education coordinating board shall develop a web-based interface for students and families as well as a common application for these scholarships.

(2) (~~(\$339,000 of the general fund--state appropriation for fiscal year 2008 and \$330,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for implementation of)~~) Within the funds appropriated in this section, the board shall implement Second Substitute Senate Bill No. 5098 (the college bound scholarship). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(3) (~~(\$200,000 of the general fund--state appropriation for fiscal year 2008 and \$150,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for implementation of)~~) Within the funds appropriated in this section, the board shall implement Engrossed Substitute House Bill No. 1131 (the passport to college promise). If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(4) (~~(\$152,000 of the general fund--state appropriation for fiscal year 2008 and \$191,000 of~~

~~the general fund--state appropriation for fiscal year 2009 are provided solely for administration of~~) Within the funds appropriated in this section, the board shall implement conditional scholarships.

~~(5) ((Except for moneys provided in this section for specific purposes, and to the extent that the executive director finds that the agency will not require the full amount appropriated for a fiscal year in this section, the unexpended appropriation shall be transferred to the state education trust account established under RCW 28B.92.140 for purposes of fulfilling unfunded scholarship commitments that the board made under its federal GEAR UP Grant 1.~~

~~—(6))~~ \$200,000 of the general fund--state appropriation is provided solely to implement a capital facility and technology capacity study which will compare the 10-year enrollment projections with the capital facility requirements and technology application and hardware capacity needed to deliver higher education programs for the period 2009-2019. The higher education coordinating board shall:

(a) Develop the study in collaboration with the state board for community and technical colleges, four-year universities, and the Washington independent colleges;

(b) Determine the 10-year capital facilities and technology application and hardware investment needed by location to deliver higher education programs to additional student FTE;

(c) Estimate operational and capital costs of the additional capacity; and

(d) Report findings to the legislature on October 1, 2008.

~~((7) \$85,000 of the general fund--state appropriation for fiscal year 2008 and \$127,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the board to))~~ (6) Within the funds appropriated in this section, the board shall prepare a program and operating plan for a higher education center in the Kitsap county area. The plan shall be developed in consultation with an advisory committee of civic, business, and educational leaders from Clallam, Jefferson, Kitsap, and Mason counties. It shall include a projection of lower and upper division and graduate enrollment trends in the study area; a review of assessments of employer needs; an inventory of existing and needed postsecondary programs; recommended strategies for promoting active program participation in and extensive program offerings at the center by public and private baccalaureate institutions; and an estimate of operating and capital costs for the creation and operation of the center. The board shall submit its findings and recommendations to the governor and legislature by December 1, 2008.

~~((8) \$60,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for implementation of~~) (7) Within the funds appropriated in this section, the board shall implement Engrossed House Bill No. 2641 (education performance agreements). If the bill is not enacted by June 30, 2008, the amount provided in this subsection shall lapse.

~~((9))~~ (8) The higher education coordinating board, the department of licensing, and the department of health shall jointly review and report to appropriate policy committees of the legislature by December 1, 2008, on barriers and opportunities for increasing the extent to which veterans separating from duty are able to apply skills sets and education required while in service to certification, licensure, and degree requirements.

~~((10) \$100,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for the higher education coordinating board to))~~ (9) Within the funds appropriated in this section, the board shall convene interested parties from Snohomish, Island, and Skagit counties to consider the November 2007 site options and recommendations for a new campus of the University of Washington in Snohomish county. The three local communities shall develop a consensus recommendation on a single preferred site and present the recommendation to the

higher education coordinating board. The higher education coordinating board shall then present the single preferred site recommendation to the appropriate legislative fiscal and policy committees by December 1, 2008.

Sec. 1504 2009 c 4 s 610 (uncodified) is amended to read as follows:

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

General Fund -- State Appropriation (FY 2008)	\$163,286,000
General Fund -- State Appropriation (FY 2009)	\$188,498,000
General Fund -- Federal Appropriation	\$13,113,000
Education Legacy Trust Account -- State Appropriation ((\$108,188,000))	
<u>\$106,588,000</u>	
TOTAL APPROPRIATION ((\$473,085,000))	
<u>\$471,485,000</u>	

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

(1) \$154,760,000 of the general fund--state appropriation for fiscal year 2008, \$178,707,000 of the general fund--state appropriation for fiscal year 2009, \$49,902,000 of the education legacy trust account appropriation for fiscal year 2008, \$40,050,000 of the education legacy trust account appropriation for fiscal year 2009, and \$2,886,000 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 a four percent administrative allowance; the Washington scholars program; and the Washington award for vocational excellence. All four programs shall increase grant awards sufficiently to offset the full cost of the resident undergraduate tuition increases authorized under this act.

(2) Within the funds appropriated in this section, eligibility for the state need grant shall be expanded to include students with family incomes at or below 70 percent of the state median family income, adjusted for family size. Awards for students with incomes between 66 percent and 70 percent of the state median shall be 50 percent of the award amount granted to those with incomes below 51 percent of the median.

(3) To the extent that the executive director determines that the agency will not award the full amount appropriated in subsection (1) of this section for a fiscal year, unexpended funds shall be transferred to the state education trust account established under RCW 28B.92.140 for purposes first of fulfilling the unfunded scholarship commitments that the board made under its federal GEAR UP Grant 1.

(4) \$7,400,000 of the education legacy trust account appropriation is provided solely for investment to fulfill the scholarship commitments that the state incurs in accordance with Second Substitute Senate Bill No. 5098 (the college bound scholarship). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(5) \$2,500,000 of the education legacy trust account--state appropriation is provided solely to expand the gaining early awareness and readiness for undergraduate programs project to at least 25 additional school districts.

(6) \$1,000,000 of the education legacy trust account--state appropriation is provided solely to encourage more students to teach secondary mathematics and science. \$500,000 of this amount is provided to increase the future teacher scholarship and conditional loan program by at least 35

students per year. \$500,000 of this amount is provided to support state work study positions for students to intern in secondary math and science classrooms.

(7) (~~(\$2,336,000)~~) \$736,000 of the education legacy trust account--state appropriation for fiscal year 2009 is provided solely for implementation of Engrossed Substitute House Bill No. 1131 (passport to college). Funds are provided for student scholarships, 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. If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(8) \$246,000 of the general fund--state appropriation for fiscal year 2008 and \$246,000 of the general fund--state appropriation for fiscal year 2009 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.

(9) \$75,000 of the general fund--state appropriation for fiscal year 2008 and \$75,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for higher education student child care matching grants under chapter 28B.135 RCW.

(10) \$500,000 of the general fund--state appropriation for fiscal year 2008 and \$500,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for implementation of Engrossed Substitute House Bill No. 1179 (state need grant). State need grants provided to students enrolled in just three to five credit-bearing quarter credits, or the equivalent semester credits, shall not exceed the amounts appropriated in this subsection. By November 1 of each year, the board shall report to the office of financial management and to the operating budget committees of the house of representatives and senate on the number of eligible but unserved students enrolled in just three to five quarterly credits, or the semester equivalent, and the estimated cost of serving them. If the bill is not enacted by June 30, 2007, the amounts provided in this subsection shall lapse.

(11) \$5,000,000 of the education legacy trust account appropriation is provided solely to implement Engrossed Second Substitute House Bill No. 1779 (GET ready for math and science). If the bill is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(12) \$1,250,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for the health professional scholarship and loan program. The funds provided in this subsection (a) shall be prioritized for health care deliver sites demonstrating a commitment to serving the uninsured; and (b) shall be allocated between loan repayments and scholarships proportional to current program allocations.

Sec. 1505 2009 c 4 s 613 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF EARLY LEARNING

General Fund -- State Appropriation (FY 2008)	\$62,362,000
General Fund -- State Appropriation (FY 2009)	\$69,120,000

General Fund -- Federal Appropriation	(\$192,192,000)
<u>\$200,692,000</u>	
General Fund--Private/Local Appropriation	\$6,000
TOTAL APPROPRIATION	(\$323,680,000)
<u>\$332,180,000</u>	

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

(1) \$47,919,000 of the general fund--state appropriation for fiscal year 2008 and \$56,437,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for early childhood education and assistance program services.

(a) 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.

(b) Within the amounts provided in this subsection (1), the department shall increase the number of children receiving early childhood education and assistance program services by 2,250 slots.

(c) Within the amounts provided in this subsection (1), the department shall increase the minimum provider per slot payment to \$6,500 in fiscal year 2008. Any provider receiving slot payments higher than \$6,500 shall receive a 2.0 percent vendor rate increase in fiscal year 2008. All providers shall receive a 2.0 percent vendor rate increase in fiscal year 2009.

(2) \$775,000 of the general fund--state appropriation for fiscal year 2008 and \$1,825,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to: (a) Develop a quality rating and improvement system; and (b) pilot the quality rating and improvement system in multiple locations. Four of the pilot sites are to be located within the following counties: Spokane, Kitsap, King, and Yakima. The department shall analyze and evaluate the pilot sites and report initial findings to the legislature by December 1, 2008. Prior to statewide implementation of the quality rating and improvement system, the department of early learning shall present the system to the legislature and the legislature shall formally approve the implementation of the system through the omnibus appropriations act or by statute or concurrent resolution.

(3) \$850,000 of the general fund--state appropriation for fiscal year 2008 and \$850,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for the department to contract for child care referral services.

(4) \$1,200,000 of the general fund--state appropriation for fiscal year 2008 and \$800,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to develop and provide culturally relevant supports for parents, family, and other caregivers. This includes funding for the department to conduct a random sample survey of parents to determine the types of early learning services and materials parents are interested in receiving from the state. The department shall report the findings to the appropriate policy and fiscal committees of the legislature by October 1, 2008.

(5) \$250,000 of the general fund--state appropriation for fiscal year 2008 and \$250,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for a child care consultation pilot program linking child care providers with evidence-based and best practice resources regarding caring for infants and young children who present behavior concerns.

(6) ~~\$500,000~~ of the general fund--state appropriation for fiscal year 2008 and \$400,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to expand the child care career and wage ladder program created by chapter 507, Laws of 2005.

(7) \$172,000 of the general fund--state appropriation for fiscal year 2008 is provided solely for the department to purchase licensing capability from the department of social and health services through the statewide automated child welfare information system.

(8) \$1,100,000 of the general fund--state appropriation for fiscal year 2008 and ~~(((\$1,100,000))~~ \$1,025,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for a childcare grant program for public community colleges and public universities. A community college or university that employs collectively bargained staff to operate childcare programs may apply for up to \$25,000 per year from the department per each type of the following programs: Head start, childcare, early childhood assistance and education. The funding shall only be provided for salaries for collectively bargained employees.

(9) Beginning October 1, 2007, the department shall be 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) Prior to the development of an early learning information system, the department shall submit to the education and fiscal committees of the legislature a completed feasibility study and a proposal approved by the department of information systems and the information services board. The department shall ensure that any proposal for the early learning information system includes the cost for modifying the system as a result of licensing rule changes and implementation of the quality rating and improvement system.

(11) The department, in conjunction with the early learning advisory council, shall report by June 30, 2009, to the governor and the appropriate committees of the legislature regarding the following:

(a) Administration of the state training and registry system, including annual expenditures, participants, and average hours of training provided per participant; and

(b) An evaluation of the child care resource and referral network in providing information to parents and training and technical assistance to child care providers.

(12) 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.

(13) \$150,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for the department of early learning to work with the office of the superintendent of public instruction, and collaborate with thrive by five Washington, to study and make recommendations regarding the implementation of a statewide kindergarten entry assessment. The department and the office of the superintendent of public instruction shall jointly submit a report with recommendations for implementing the kindergarten entry assessment to the governor and the appropriate committees of the legislature by December 15, 2008. In the study and development of the recommendations, the department shall:

(a) Consult with early learning experts, including research and educator associations, early learning and kindergarten teachers, and Washington Indian tribes;

(b) Identify a preferred kindergarten entry assessment based on research and examples of other assessments, and which is sensitive to cultural and socioeconomic differences influencing the development of young children;

- (c) Recommend a plan for the use of the assessment in a pilot phase and a voluntary use phase, and recommend a time certain when school districts must offer the assessment;
 - (d) Recommend how to report the results of the assessment to parents, the office of the superintendent of public instruction, and the department of early learning in a common format, and for a methodology for conducting the assessments;
 - (e) Analyze how the assessment could be used to improve instruction for individual students entering kindergarten and identify whether and how the assessment results could be used to improve the early learning and K-12 systems, including the transition between the systems;
 - (f) Identify the costs of the assessment, including the time required to administer the assessment; and
 - (g) Recommend how to ensure that the assessment shall not be used to screen or otherwise preclude children from entering kindergarten if they are otherwise eligible.
- (14) \$120,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for encouraging private match investment for innovative, existing local early learning coalitions to achieve one or more of the following:
- (a) Increase communities' abilities to implement their business plans for comprehensive local and regional early learning systems;
 - (b) Involve parents in their children's education;
 - (c) Enhance coordination between the early childhood and K-12 system; or
 - (d) Improve training and support for raising the level of child care givers' professional skills to ensure that children are healthy and ready to succeed in school and life.

Sec. 1506 2009 c 4 s 614 (uncodified) is amended to read as follows:

FOR THE STATE SCHOOL FOR THE BLIND

General Fund--State Appropriation (FY 2008)	\$5,969,000
General Fund--State Appropriation (FY 2009)	(\$6,069,000)
	<u>\$6,135,000</u>
General Fund--Private/Local Appropriation	\$1,561,000
TOTAL APPROPRIATION	(\$13,599,000)
	<u>\$13,665,000</u>

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

- (1) \$10,000 of the general fund--state appropriation for fiscal year 2008 and \$40,000 of the general fund--state appropriation for fiscal year 2009 are provided solely to defend the state's interpretive position in the case of *Delyria & Koch v. Washington State School for the Blind*.
- (2) \$5,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for increasing salaries for certificated instructional staff by an average of one-half of one percent effective July 1, 2008.

Sec. 1507 2009 c 4 s 615 (uncodified) is amended to read as follows:

FOR THE STATE SCHOOL FOR THE DEAF

General Fund--State Appropriation (FY 2008)	\$8,858,000
General Fund--State Appropriation (FY 2009)	(\$8,764,000)
	<u>\$8,792,000</u>
General Fund--Private/Local Appropriation	\$316,000
TOTAL APPROPRIATION	(\$17,938,000)

\$17,966,000

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

(1) \$84,000 of the general fund--private/local appropriation for fiscal year 2009 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) \$9,000 of the general fund--state appropriation for fiscal year 2009 is provided solely for increasing salaries for certificated instructional staff by an average of one-half of one percent effective July 1, 2008.

Sec. 1508 2009 c 4 s 616 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE ARTS COMMISSION

General Fund -- State Appropriation (FY 2008)	\$2,548,000
General Fund -- State Appropriation (FY 2009)	(\$2,454,000)
	<u>\$2,434,000</u>
General Fund -- Federal Appropriation	(\$1,382,000)
	<u>\$1,518,000</u>
General Fund -- Private/Local Appropriation	\$154,000
TOTAL APPROPRIATION	(\$6,538,000)
	<u>\$6,654,000</u>

(End of part)

**PART XVI
SPECIAL APPROPRIATIONS**

Sec. 1601 2008 c 329 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 2008)	\$823,274,000
General Fund -- State Appropriation (FY 2009)	(\$696,324,000)
	<u>\$690,224,000</u>
State Building Construction Account -- State Appropriation	\$11,970,000
Columbia River Basin Water Supply Development Account -- State Appropriation	\$148,000
Hood Canal Aquatic Rehabilitation Bond Account -- State Appropriation	\$23,000
State Taxable Building Construction Account -- State Appropriation	\$513,000
Gardner-Evans Higher Education Construction Account -- State Appropriation	\$1,902,000
Debt-Limit Reimbursable Bond Retire Account -- State Appropriation	(\$2,589,000)

\$2,590,000
TOTAL APPROPRIATION ((~~\$1,536,743,000~~))
\$1,530,644,000

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 2008 shall be expended into the debt-limit general fund bond retirement account by June 30, 2008.

Sec. 1602 2008 c 329 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 BY ENTERPRISE ACTIVITIES

State Convention and Trade Center Account -- State
Appropriation \$22,535,000
Accident Account -- State Appropriation ((~~\$5,135,000~~))
\$5,136,000
Medical Aid Account -- State Appropriation ((~~\$5,135,000~~))
\$5,136,000
TOTAL APPROPRIATION ((~~\$32,805,000~~))
\$32,807,000

Sec. 1603 2008 c 329 s 703 (uncodified) is amended to read as follows:
FOR THE STATE TREASURER -- BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE

General Fund -- State Appropriation (FY 2008) \$26,848,000
General Fund -- State Appropriation (FY 2009) ((~~\$27,728,000~~))
\$27,729,000
School Construction and Skills Centers Building
Account--State Appropriation \$50,000
Nondebt-Limit Reimbursable Bond Retirement
Account -- State Appropriation ((~~\$135,967,000~~))
\$136,147,000
TOTAL APPROPRIATION ((~~\$190,543,000~~))
\$190,774,000

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 2008 shall be expended into the nondebt-limit general fund bond retirement account by June 30, 2008.

Sec. 1604 2008 c 329 s 704 (uncodified) is amended to read as follows:
FOR THE STATE TREASURER -- BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE

EXPENSES

General Fund -- State Appropriation (FY 2008)	\$750,000
General Fund -- State Appropriation (FY 2009)	\$750,000
State Building Construction Account -- State Appropriation	\$1,546,000
Columbia River Basin Water Supply Development Account -- State Appropriation	\$17,000
Hood Canal Aquatic Rehabilitation Bond Account -- State Appropriation	\$3,000
State Taxable Building Construction Account -- State Appropriation	\$122,000
Gardner-Evans Higher Education Construction Account -- State Appropriation	\$452,000
<u>School Construction and Skills Centers Building</u> Account--State Appropriation	\$9,000
TOTAL APPROPRIATION	(\$3,640,000)
	<u>\$3,649,000</u>

Sec. 1605 2008 c 329 s 705 (uncodified) is amended to read as follows:
FOR THE OFFICE OF FINANCIAL MANAGEMENT -- FIRE CONTINGENCY POOL
Disaster Response Account--State Appropriation ~~(\$8,500,000)~~
\$9,500,000

The appropriation in this section is subject to the following conditions and limitations: The entire appropriation is for the purpose of making allocations to the Washington state patrol for any 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.

Sec. 1606 2008 c 329 s 706 (uncodified) is amended to read as follows:
FOR THE OFFICE OF FINANCIAL MANAGEMENT -- FIRE CONTINGENCY
General Fund--State Appropriation (FY 2008) \$6,500,000
General Fund--State Appropriation (FY 2009) ~~(\$2,000,000)~~
\$3,000,000
TOTAL APPROPRIATION ~~(\$8,500,000)~~
\$9,500,000

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 for the purposes specified in section 705 of this act.

Sec. 1607 2008 c 329 s 707 (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) George E. Linkenhoker, claim number SCJ 2008-01 \$24,628
- (b) Charles A. Gardner, claim number SCJ 2008-02 \$ 2,715
- (c) Judd Hurst, claim number SCJ 2008-03 \$ 2,000
- (d) Thomas J. Nelson, claim number SCJ 2008-04 \$ 5,000
- (e) William R. Sauters, Jr., claim number
SCJ 2008-05 \$11,408
- (f) Michael E. Greene, claim number SCJ 2008-06 \$ 1,500
- (g) Jeffery A. Cobb, claim number SCJ 2008-08 \$ 7,600
- (h) Robert R. Park, claim number SCJ 2008-09 \$26,385
- (i) Donald Willett, claim number SCJ 2008-11 \$6,600
- (j) Antonio Perez, claim number SCJ 2009-01 \$7,179
- (k) James D. Romans, claim number SCJ 2009-02 \$4,481
- (l) Michael V. Shong, claim number SCJ 2009-03 \$15,118
- (m) Gerald A. Tinkess, claim number SCJ 2009-04 \$68,865
- (n) Linh D. Huyen, claim number SCJ 2009-05 \$4,000
- (o) Rafael R. Robinson, claim number SCJ 2009-06 \$7,200
- (p) Anthony J. Magnesi, claim number SCJ 2009-07 \$74,888
- (q) Jerry Startzell, claim number 99970000 \$12,975
- (2) Payment from the state wildlife account for damage to crops by wildlife pursuant to RCW

77.36.050:

- (a) David Guenther, claim number 99970001 \$3,660
- (b) Wilbur Eaton, claim number 99970002 \$3,069
- (c) Eaton Brothers, claim number 99970003 \$2,809
- (d) Travis Eaton, claim number 99970004 \$1,532

Sec. 1608 2007 c 522 s 712 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF RETIREMENT SYSTEMS -- CONTRIBUTIONS TO RETIREMENT SYSTEMS. The appropriations in this section are subject to the following conditions and limitations: The appropriations for the law enforcement officers' and firefighters' retirement system shall be made on a monthly basis beginning July 1, 2007, consistent with chapter 41.45 RCW, and the appropriations for the judges and judicial retirement systems shall be made on a quarterly basis consistent with chapters 2.10 and 2.12 RCW.

(1) There is appropriated for state contributions to the law enforcement officers' and fire fighters' retirement system:

General Fund -- State Appropriation (FY 2008)	\$46,200,000
General Fund -- State Appropriation (FY 2009)	(\$50,400,000)
<u>\$51,122,000</u>	
TOTAL APPROPRIATION	(\$96,600,000)
<u>\$97,322,000</u>	

(2) There is appropriated for contributions to the judicial retirement system:

General Fund -- State Appropriation (FY 2008)	\$9,600,000
General Fund -- State Appropriation (FY 2009)	\$10,200,000
TOTAL APPROPRIATION	\$19,800,000

Sec. 1609 2008 c 329 s 714 (uncodified) is amended to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT--HEALTH CARE AUTHORITY
ADMINISTRATIVE ACCOUNT**

General Fund--State Appropriation (FY 2008)	\$2,618,000
General Fund--State Appropriation (FY 2009)	\$1,993,000
Public Safety and Education Account--State Appropriation (FY 2008)	\$13,000
Public Safety and Education Account--State Appropriation (FY 2009)	\$13,000
Water Quality Account--State Appropriation (FY 2008)	\$4,000
Water Quality Account--State Appropriation (FY 2009)	\$4,000
Violence Reduction and Drug Enforcement Account--State Appropriation (FY 2008)	\$1,000
Violence Reduction and Drug Enforcement Account--State Appropriation (FY 2009)	\$1,000
Health Services Account--State Appropriation (FY 2008)	\$7,000
Health Services Account--State Appropriation (FY 2009)	\$7,000
((Dedicated Funds and Accounts Appropriation	\$640,000))
TOTAL APPROPRIATION	(\$5,301,000))
<u>\$4,661,000</u>	

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

(1) The appropriations are provided solely for expenditure into the health care authority administrative account.

(2) To facilitate the transfer of moneys from dedicated funds and accounts, the office of financial management shall transfer or direct the transfer of sufficient moneys from each dedicated fund or account, including local funds of state agencies and institutions of higher education, to the health care authority administrative account in accordance with LEAP document number C04-2008, dated March 10, 2008. Agencies and institutions of higher education with local funds will deposit sufficient money to the health care authority administrative account.

NEW SECTION. Sec. 1610 A new section is added to 2007 c 522 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT--CAPITOL BUILDING
CONSTRUCTION ACCOUNT**

General Fund--State Appropriation (FY 2009)	\$5,512,000
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The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for expenditure into the capitol building construction account.

NEW SECTION. Sec. 1611 A new section is added to 2007 c 522 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--HELP AMERICA VOTE ACT

General Fund--State Appropriation (FY 2009)	\$228,000
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The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for expenditure into the election account.

NEW SECTION. Sec. 1612 A new section is added to 2007 c 522 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--CLARKE-MCNARY ACCOUNT
General Fund--State Appropriation (FY 2009) \$1,353,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for expenditure into the Clarke-McNary account.

NEW SECTION. Sec. 1613 A new section is added to 2007 c 522 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT--EXTRAORDINARY
CRIMINAL JUSTICE COSTS**
General Fund--State Appropriation (FY 2009) \$500,000

The appropriation in this section is subject to the following conditions and limitations: The director of financial management shall distribute funds to Franklin county (\$87,000), Skagit county (\$13,000), Yakima county (\$15,000), Spokane county (\$99,000), and King county (\$286,000) for extraordinary criminal justice costs.

NEW SECTION. Sec. 1614 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--OIL
SPILL PREVENTION ACCOUNT**

General Fund--State Appropriation (FY 2009) \$6,500,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for expenditure into the oil spill prevention account.

(End of part)

**PART XVII
OTHER TRANSFERS AND APPROPRIATIONS**

Sec. 1701 2009 c 4 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 ((~~\$7,654,000~~))
\$7,499,000

General Fund Appropriation for public utility
district excise tax distributions ((~~\$47,557,000~~))
\$46,459,000

General Fund Appropriation for prosecuting
attorney distributions. Of this amount,
\$903,000 is provided solely for the
implementation of Substitute Senate Bill No.

6297 (prosecuting attorney salaries).
If the bill is not enacted by June 30, 2008,
the amount provided shall lapse. ((\$4,902,000))
\$4,829,000

General Fund Appropriation for boating safety
and education distributions ((\$4,400,000))
\$4,491,000

General Fund Appropriation for other tax
distributions \$48,000

General Fund Appropriation for habitat
conservation program distributions ((\$1,245,000))
\$2,296,000

Columbia River Water Delivery Account
Appropriation for the Confederated
Tribes of the Colville Reservation.
This amount is provided solely for
implementation of Engrossed Substitute
Senate Bill No. 6874 (Columbia River
water delivery). If the bill is not
enacted by June 30, 2008, this amount
shall lapse. \$3,775,000

Columbia River Water Delivery Account
Appropriation for the Spokane Tribe
of Indians. This amount is provided
solely for implementation of Engrossed
Substitute Senate Bill No. 6874 (Columbia
River water delivery). If the bill is
not enacted by June 30, 2008, this amount
shall lapse. \$2,250,000

Death Investigations Account Appropriation for
distribution to counties for publicly
funded autopsies ((\$2,192,000))
\$2,352,000

Aquatic Lands Enhancement Account Appropriation
for harbor improvement revenue distribution \$148,000

Timber Tax Distribution Account Appropriation
for distribution to "timber" counties ((\$77,753,000))
\$65,089,000

County Criminal Justice Assistance Appropriation ((\$62,127,000))
\$62,778,000

Municipal Criminal Justice Assistance
Appropriation ((\$24,636,000))
\$24,375,000

Liquor Excise Tax Account Appropriation for
liquor excise tax distribution ((\$49,397,000))
\$55,244,000

Liquor Revolving Account Appropriation for liquor profits distribution ((~~\$82,148,000~~))
\$69,817,000

City-County Assistance Account Appropriation for local government financial assistance distribution;
PROVIDED: That the legislature, in making this appropriation for distribution under the formula prescribed in RCW 43.08.290 for the 2007-09 biennium, ratifies and approves the prior distributions, as certified by the department of revenue to the state treasurer, made for the 2005-07 biennium from the appropriation in section 801, chapter 372, Laws of 2006 as amended by section 1701, chapter 522, Laws of 2007 ((~~\$29,865,000~~))
\$20,985,000

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 \$22,980,000

TOTAL APPROPRIATION ((~~\$423,077,000~~))
\$395,415,000

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 4 s 802 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER -- TRANSFERS.

State Treasurer's Service Account: For transfer to the state general fund,
\$10,000,000 for fiscal year 2008 and
\$31,000,000 for fiscal year
2009 \$41,000,000

Education Legacy Trust Account: For transfer to the state general fund for fiscal year 2009 \$67,000,000

Pension Funding Stabilization Account: For transfer to the state general fund for fiscal year 2009 \$10,000,000

Economic Development Strategic Reserve Account:
For transfer to the state general fund for fiscal year 2009 \$4,000,000

State Convention and Trade Center Operations Account:
For transfer to the state general fund on June 30, 2009 \$5,000,000

State Convention and Trade Center Capital Account:
For transfer to the state general fund on

June 30, 2009 \$52,000,000

After the transfers in this section are made from the state convention and trade center operations and capital accounts, these accounts will have sufficient funds for: (1) A ten million dollar requirement for the retrofit of the museum of history and industry; (2) the requirements of RCW 67.40.040(5) and 67.40.040(6); and (3) a sufficient capital reserve. After the transfer is made, the capital reserve may be applicable for payment of debt service or operating shortfalls.

Department of Retirement Systems Expense Account:

For transfer to the state general fund for fiscal year 2009 \$11,200,000

General Fund: For transfer to the water quality account, \$12,200,000 for fiscal year 2008 and (~~(\$12,201,000)~~) \$7,851,000 for fiscal year 2009 (~~(\$24,401,000)~~)
\$20,051,000

Education Legacy Trust Account: For transfer to the student achievement account for fiscal year 2009 \$90,800,000

Drinking Water Assistance Account: For transfer to the drinking water assistance repayment account, an amount not to exceed (~~(\$25,000,000)~~)
\$24,000,000

Public Works Assistance Account: For transfer to the drinking water assistance account, \$7,200,000 for fiscal year 2008 and \$3,600,000 for fiscal year 2009 \$10,800,000

Public Works Assistance Account: For transfer to the job development account, \$25,000,000 for fiscal year 2008 and \$25,000,000 for fiscal year 2009 \$50,000,000

Local Toxics Control Account: For transfer to the state general fund for fiscal year 2009 \$75,000,000

State Toxics Control Account: For transfer to the oil spill prevention account for fiscal year 2009 \$2,400,000

State Toxics Control Account: For transfer to the state general fund for fiscal year 2009 \$2,000,000

Natural Resources Equipment Account: For transfer to the state general fund for fiscal year 2009 \$3,300,000

Tobacco Settlement Account: For transfer to the health services account, in an amount not to exceed the actual amount

of the annual base payment to the tobacco settlement account ((\$168,111,000))
\$181,585,000

Tobacco Settlement Account: For transfer to the life sciences discovery fund, in an amount not to exceed the actual amount of the strategic contribution supplemental payment to the tobacco settlement account ((\$70,000,000))
\$65,220,000

Health Services Account: For transfer to the water quality account, \$3,942,500 for fiscal year 2008 and \$3,942,500 for fiscal year 2009 \$7,885,000

Health Services Account: For transfer to the violence reduction and drug enforcement account, \$3,466,000 for fiscal year 2008 and \$3,466,000 for fiscal year 2009 \$6,932,000

Health Services Account: For transfer to the tobacco prevention and control account, \$10,523,000 for fiscal year 2008 and ((\$10,168,000)) \$9,601,000 for fiscal year 2009 ((\$20,691,000))
\$20,124,000

General Fund: For transfer to the streamline sales and use tax account for fiscal year 2009 \$31,600,000
~~((General Fund: For transfer to the health services account for fiscal year 2009 \$53,000,000))~~

Health Services Account: For transfer to the state general fund for fiscal year 2009 \$47,000,000

Nisqually Earthquake Account: For transfer to the disaster response account for fiscal year 2008 \$3,000,000

Public Safety and Education Account: For transfer to the state general fund for fiscal year 2009 \$6,000,000

Reading Achievement Account: For transfer to the state general fund, an amount not to exceed the actual balance of the reading achievement account. This transfer is intended to liquidate the reading achievement account \$1,691,000

Family Leave Insurance Account: For transfer to the state general fund, an amount not to exceed the actual balance of the family leave insurance account on the effective date of this section. \$4,458,000

Streamline Sales Tax Account: For transfer to the state general fund on June 30, 2009, an amount not to exceed the actual balance of the streamline sales tax account. \$8,620,000

Savings Incentive Account: For transfer to the state

general fund for fiscal year 2009 \$9,204,000
Education Savings Account: For transfer to the state
general fund for fiscal year 2009 \$51,088,000
Pension Funding Stabilization Account: For transfer
to the state general fund for fiscal year 2009 \$2,400,000
Budget Stabilization Account: For transfer to
the state general fund for fiscal year 2009 \$400,000,000
Employment Training Finance Account: For transfer to the
state general fund for fiscal year 2009. After the
transfer in this section is made, the employment
training finance account shall have a balance of
\$175,000 to continue customized training program
activities \$3,000,000
College Faculty Awards Trust Fund: For transfer to the
state general fund for fiscal year 2009, an amount
not to exceed the actual balance of the college
faculty awards trust fund. This transfer is intended
to liquidate the college faculty awards trust
fund \$4,900,000
Washington Distinguished Professorship Trust Account:
For transfer to the state general fund for fiscal
year 2009, an amount not to exceed the actual
balance of the Washington distinguished professorship
trust account. This transfer is intended to
liquidate the Washington distinguished professorship
trust account \$5,000,000
Washington Graduate Fellowship Trust Account: For
transfer to the state general fund for fiscal year
2009, an amount not to exceed the actual balance of
the Washington graduate fellowship trust account. This
transfer is intended to liquidate the Washington
graduate fellowship trust account \$1,400,000
Get Ready for Math and Science Scholarship Account: For
transfer to the state general fund for fiscal year
2009 \$1,900,000
Judicial Information System Account: For transfer
to the state general fund for fiscal year 2009 \$5,000,000
Student Achievement Fund: For transfer to the state
general fund for fiscal year 2009 \$218,000,000
Student Achievement Fund: For transfer to the
education legacy trust account \$91,000,000

Sec. 1703 2007 c 522 s 804 (uncodified) is amended to read as follows:
FOR THE STATE TREASURER -- FEDERAL REVENUES FOR DISTRIBUTION
 General Fund Appropriation for federal
 grazing fees distribution ((\$2,950,000))

\$3,145,000
 General Fund Appropriation for federal flood
 control funds distribution ((\$74,000))
\$69,000
 Forest Reserve Fund Appropriation for federal
 forest reserve fund distribution ((\$84,500,000))
\$85,201,000
 TOTAL APPROPRIATION ((\$87,524,000))
\$88,415,000

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. 1704 2007 c 522 s 802 (uncodified) is amended to read as follows:
FOR THE STATE TREASURER -- FOR THE COUNTY CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driving Safety Account Appropriation ((\$2,174,000))
\$3,050,000

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 2007-09 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. 1705 2007 c 522 s 803 (uncodified) is amended to read as follows:
FOR THE STATE TREASURER -- FOR THE MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driving Safety Account Appropriation ((\$1,449,000))
\$2,033,000

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 2007-09 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).

(End of part)

PART XVIII MISCELLANEOUS

NEW SECTION. Sec. 1801 A new section is added to 2007 c 522 (uncodified) to read as follows:

COLLECTIVE BARGAINING AGREEMENTS NOT IMPAIRED. Nothing in this act or chapter 5 (ESSB 5460), Laws of 2009 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 chapter 5, Laws of 2009 (February 18, 2009).

Sec. 1802 RCW 2.68.020 and 2005 c 282 s 11 are each amended to read as follows:

There is created an account in the custody of the state treasurer to be known as the judicial information system account. The administrative office of the courts shall maintain and administer the account, in which shall be deposited all moneys received from in-state noncourt users and any out-of-state users of the judicial information system and moneys as specified in RCW 2.68.040 for the purposes of providing judicial information system access to noncourt users and providing an adequate level of automated services to the judiciary. The legislature shall appropriate the funds in the account for the purposes of the judicial information system. The account shall be used for the acquisition of equipment, software, supplies, services, and other costs incidental to the acquisition, development, operation, and administration of information services, telecommunications, systems, software, supplies, and equipment, including the payment of principal and interest on items paid in installments. During the 2007-2009 fiscal biennium, the legislature may transfer from the judicial information system account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 1803 RCW 28B.50.837 and 2003 c 129 s 2 are each amended to read as follows:

(1) The Washington community and technical college exceptional faculty awards program is established. The program shall be administered by the college board. The college faculty awards trust fund hereby created shall be administered by the state treasurer.

(2) Funds appropriated by the legislature for the community and technical college exceptional faculty awards program shall be deposited in the college faculty awards trust fund. At the request of the college board, the treasurer shall release the state matching funds to the local endowment fund of the college or its foundation. No appropriation is necessary for the expenditure of moneys from the fund. Expenditures from the fund may be used solely for the exceptional faculty awards program. During the 2007-2009 fiscal biennium, the legislature may transfer from the college faculty awards trust fund to the state general fund such amounts as reflect the excess fund balance in the account.

Sec. 1804 RCW 28B.67.030 and 2006 c 112 s 8 are each amended to read as follows:

(1) All payments received from a participant in the Washington customized employment training program created in RCW 28B.67.020 shall be deposited into the employment training

finance account, which is hereby created in the custody of the state treasurer. Only the state board for community and technical colleges may authorize expenditures from the account and no appropriation is required for expenditures. The money in the account must be used solely for training allowances under the Washington customized employment training program created in RCW 28B.67.020. The deposit of payments under this section from a participant shall cease when the board specifies that the participant has met the monetary obligations of the program. During the 2007-2009 fiscal biennium, the legislature may transfer from the employment training finance account to the state general fund such amounts as reflect the excess fund balance in the account.

(2) All revenue solicited and received under the provisions of RCW 28B.67.020(4) shall be deposited into the employment training finance account to provide training allowances.

(3) The definitions in RCW 28B.67.010 apply to this section.

(4) This section expires July 1, 2012.

Sec. 1805 RCW 28B.76.565 and 2004 c 275 s 20 are each amended to read as follows:

Funds appropriated by the legislature for the distinguished professorship program shall be deposited in the distinguished professorship trust fund. At the request of the higher education coordinating board under RCW 28B.76.575, the treasurer shall release the state matching funds to the designated institution's local endowment fund. No appropriation is required for expenditures from the fund. During the 2007-2009 fiscal biennium, the legislature may transfer from the distinguished professorship trust fund to the state general fund such amounts as reflect the excess fund balance in the account.

Sec. 1806 RCW 28B.76.610 and 2004 c 275 s 22 are each amended to read as follows:

Funds appropriated by the legislature for the graduate fellowship program shall be deposited in the graduate fellowship trust fund. At the request of the higher education coordinating board under RCW 28B.76.620, the treasurer shall release the state matching funds to the designated institution's local endowment fund. No appropriation is required for expenditures from the fund. During the 2007-2009 fiscal biennium, the legislature may transfer from the graduate fellowship trust fund to the state general fund such amounts as reflect the excess fund balance in the account.

Sec. 1807 RCW 28B.105.110 and 2008 c 329 s 908 are each amended to read as follows:

(1) The GET ready for math and science scholarship account is created in the custody of the state treasurer.

(2) The board shall deposit into the account all money received for the GET ready for math and science scholarship program from appropriations and private sources. The account shall be self-sustaining.

(3) Expenditures from the account shall be used for scholarships to eligible students and for purchases of GET units. Purchased GET units shall be owned and held in trust by the board. Expenditures from the account shall be an equal match of state appropriations and private funds raised by the program administrator. During the 2007-09 fiscal biennium, expenditures from the account not to exceed five percent may be used by the program administrator to carry out the provisions of RCW 28B.105.090.

(4) With the exception of the operating costs associated with the management of the account by the treasurer's office as authorized in chapter 43.79A RCW, the account shall be credited with

all investment income earned by the account.

(5) Disbursements from the account are exempt from appropriations and the allotment provisions of chapter 43.88 RCW.

(6) Disbursements from the account shall be made only on the authorization of the board.

(7) During the 2007-2009 fiscal biennium, the legislature may transfer state appropriations to the GET ready for math and science scholarship account that have not been matched by private contributions to the state general fund.

Sec. 1808 RCW 41.45.230 and 2008 c 329 s 910 are each amended to read as follows:

The pension funding stabilization account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for payment of state government employer contributions for members of the public employees' retirement system, the teachers' retirement system, the school employees' retirement system, and the public safety employees' retirement system. During the 2007-09 fiscal biennium, expenditures from the account may also be used for payment of the retirement and annuity plans for higher education employees and for transfer into the general fund. The account may not be used to pay for any new benefit or for any benefit increase that takes effect after July 1, 2005. An increase that is provided in accordance with a formula that is in existence on July 1, 2005, is not considered a benefit increase for this purpose. Moneys in the account shall be for the exclusive use of the specified retirement systems and invested by the state investment board pursuant to RCW 43.33A.030 and 43.33A.170. For purposes of RCW 43.135.035, expenditures from the pension funding stabilization account shall not be considered a state program cost shift from the state general fund to another account. During the 2007-2009 fiscal biennium, the legislature may transfer from the pension funding stabilization account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 1809 RCW 43.30.305 and 2005 c 518 s 928 are each amended to read as follows:

A revolving fund in the custody of the state treasurer, to be known as the natural resources equipment fund, is hereby created to be expended by the department without appropriation solely for the purchase of equipment, machinery, and supplies for the use of the department and for the payment of the costs of repair and maintenance of such equipment, machinery, and supplies. During the ~~((2005-2007))~~ 2007-2009 fiscal biennium the legislature may transfer such amounts as represent the excess balance of the fund to the state general fund.

Sec. 1810 RCW 71.24.310 and 2006 c 333 s 107 are each amended to read as follows:

The legislature finds that administration of chapter 71.05 RCW and this chapter can be most efficiently and effectively implemented as part of the regional support network defined in RCW 71.24.025. For this reason, the legislature intends that the department and the regional support networks shall work together to implement chapter 71.05 RCW as follows:

(1) By June 1, 2006, regional support networks shall recommend to the department the number of state hospital beds that should be allocated for use by each regional support network. The statewide total allocation shall not exceed the number of state hospital beds offering long-term inpatient care, as defined in this chapter, for which funding is provided in the biennial appropriations act.

(2) If there is consensus among the regional support networks regarding the number of state hospital beds that should be allocated for use by each regional support network, the department

shall contract with each regional support network accordingly.

(3) If there is not consensus among the regional support networks regarding the number of beds that should be allocated for use by each regional support network, the department shall establish by emergency rule the number of state hospital beds that are available for use by each regional support network. The emergency rule shall be effective September 1, 2006. The primary factor used in the allocation shall be the estimated number of (~~acutely and chronically mentally ill~~) adults with acute and chronic mental illness in each regional support network area, based upon population-adjusted incidence and utilization.

(4) The allocation formula shall be updated at least every three years to reflect demographic changes, and new evidence regarding the incidence of acute and chronic mental illness and the need for long-term inpatient care. In the updates, the statewide total allocation shall include (a) all state hospital beds offering long-term inpatient care for which funding is provided in the biennial appropriations act; plus (b) the estimated equivalent number of beds or comparable diversion services contracted in accordance with subsection (5) of this section.

(5) The department is encouraged to enter performance-based contracts with regional support networks to provide some or all of the regional support network's allocated long-term inpatient treatment capacity in the community, rather than in the state hospital. The performance contracts shall specify the number of patient days of care available for use by the regional support network in the state hospital.

(6) If a regional support network uses more state hospital patient days of care than it has been allocated under subsection (3) or (4) of this section, or than it has contracted to use under subsection (5) of this section, whichever is less, it shall reimburse the department for that care. The reimbursement rate per day shall be the hospital's total annual budget for long-term inpatient care, divided by the total patient days of care assumed in development of that budget.

(7) One-half of any reimbursements received pursuant to subsection (6) of this section shall be used to support the cost of operating the state hospital and, during the 2007-2009 fiscal biennium, implementing new services that will enable a regional support network to reduce its utilization of the state hospital. The department shall distribute the remaining half of such reimbursements among regional support networks that have used less than their allocated or contracted patient days of care at that hospital, proportional to the number of patient days of care not used.

NEW SECTION. Sec. 1811 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. 1812 This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

(End of bill)

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Passed by the House April 24, 2009.

Passed by the Senate April 25, 2009.

Approved by the Governor May 19, 2009, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 20, 2009.

Note: Governor's explanation of partial veto is as follows:

"I am returning, without my approval as to Sections 103(6); 105(3); 105(5); 117(2); 117(4); 117(5); 124(3); 126(5); 128(7); 128(11); 128(15); 128(17); 128(24); 137(4); 148(5); 152, page 39, lines 20-26; 153, page 39, lines 34-36 and page 40, lines 1-4; 204(4)(a); 205(1)(h); 205(1)(q); 207(4); 209(10); 209(11); 209(14); 209(15); 209(33); 218(12); 218(13); 218(14); 222(3); 222(20); 223(2)(b); 223(2)(f); 302 page 104, lines 18 and 19; 302(11); 302(18); 303(2); 303(4); 307(5); 309(4); 309(5); 401, page 120, lines 7, 17 and 18; 401(3); 402(3); 614(1); 616(8); 805, page 205, lines 29-31; 805, page 206, lines 33-35; 936; 948; 955; 1104(1); 1104(2); and 1105(1)

of Engrossed Substitute House Bill 1244 entitled:

"AN ACT Relating to fiscal matters."

I have vetoed the following appropriation items because of concerns with policy or technical issues relating to the legislative provisions:

Section 105(3), page 6, Office of the State Actuary, University of Washington Medical Center and Harborview Medical Center Financial Reporting

Funding is provided from the Department of Retirement Systems Expense Account for the Office of the State Actuary to assist the University of Washington Medical Center and Harborview Medical Center with the financial reporting of their postretirement benefits liabilities. Because the University of Washington will reimburse the State Actuary for its assistance, no appropriation is needed for this purpose. For this reason, I have vetoed Section 105(3).

Section 105(5), page 6, Office of the State Actuary, Health Benefits Study

The Legislature provided \$735,000 for the State Actuary to conduct an actuarial study comparing the cost of providing health benefits to employees of the Washington state retirement systems and the cost paid by employees and employers for those benefits. The study cannot be completed with the funding provided, nor is it an authorized use of the Health Care Authority Administrative Account. For these reasons, I have vetoed Section 105(5).

I recognize that this approach was intended to reflect the intentions of Second Substitute Senate Bill 5491, which did not pass. This measure would have required the Health Care Authority to develop a strategy to reduce the cost of providing health benefits for K-12 employees. This is an appropriate goal and I will work with the Legislature and the Office of the Superintendent of Public Instruction on this goal.

Section 117(2), (4) and (5), pages 13-15, Office of the Governor, Coal-Fired Energy Plants

These provisions require convening of a joint legislative and executive task force on coal-fired energy plants to evaluate alternatives for how existing plants can meet the greenhouse gas emissions performance standards mandated by Engrossed Second Substitute Senate Bill 5735. While I support the goal of reducing greenhouse gas emissions and am committed to working toward that end with the owners of the state's remaining coal-fired plant, this measure did not pass and I have therefore vetoed Section 117(2),(4) and (5).

Section 124(3), page 18, State Auditor, Performance Audit Reporting

The State Auditor is required to report to the Legislature on state expenditure savings achieved from the implementation of performance audits, with legislative intent to reduce the scheduled transfer from the Performance Audits of Government Account to the General Fund when actual savings are demonstrated. Because the Auditor's Office cannot require agencies to implement performance audit recommendations, the appropriation should not be based on savings the Auditor cannot direct. Therefore, I have vetoed Section 124(3).

Section 126(5), pages 19-20, Attorney General, Human Trafficking Violations

Funding is provided for the Attorney General's Office to implement Section 4 of Engrossed Second Substitute Senate Bill 5850. On May 14, 2009, I vetoed Section 4 of this measure, thus eliminating the need for the Attorney General's Office to engage in this effort. For this reason, I have vetoed Section 126(5).

Section 128(7), page 23, Department of Community, Trade and Economic Development, Associate Development Organizations

This proviso requires associate development organizations receiving funding from the Department of Community, Trade and Economic Development to coordinate workforce and economic development activities with community and technical colleges, and to identify clusters of related industries. While I am supportive of these coordination efforts, the proviso is in conflict with Substitute House Bill 1323, which assigns responsibility for identification and alignment of industry clusters to the Workforce Training and Education Coordinating Board and local Workforce Development Councils. For this reason, I have vetoed Section 128(7).

Section 128(15), pages 24-25, Department of Community, Trade and Economic Development, County Life-Cycle Cost Analysis

This proviso requires counties receiving certain state affordable housing funds to include life-cycle cost analysis as a criterion in housing award decisions and to submit annual reports to the state on distribution of funds. Two bills with similar provisions did not pass the Legislature during the 2009 Session. While I encourage analytical tools like life-cycle cost analysis, I do not believe the budget bill is an appropriate vehicle for these policy provisions. For this reason, I have vetoed Section 128(15).

Section 128(17), page 25, Department of Community, Trade and Economic Development, Economic Development Commission Study

This proviso requires the Economic Development Commission to conduct a review of state infrastructure programs and deliver a report on policy and funding options to the Legislature and the Governor. No funding was provided to the Economic Development Commission for this work. Additionally, I would expect that such a review would occur within the Department of Community, Trade and Economic Development's work to develop recommendations for its core mission and programs as the Department of Commerce. For these reasons, I have vetoed Section 128(17).

Section 148(5), page 37, Liquor Control Board, Increasing Appropriations

This proviso would increase funding to the Liquor Control Board in the event that Senate Bill 6065 was not passed by the Legislature. That bill did not pass. I remain committed to reorganizing the agency so that it is administered by a single director, with a voluntary board providing policy oversight. Therefore, I do not believe it is appropriate to increase its funding at this time. For this reason, I have vetoed Section 148(5).

Section 204(4)(a), pages 57-58, Department of Social and Health Services, Report on Competency Evaluations

The Department of Social and Health Services is required to report on the waiting periods experienced for competency evaluations and competency restoration treatment. No funding was provided for these activities. For this reason, I have vetoed Section 204(4)(a).

Section 205(1)(h), page 61, Department of Social and Health Services, New Freedom Waiver Program

This proviso allows the Department of Social and Health Services to expand the New Freedom Waiver Program. However, the program is administered in the Long Term Care Program, and identical language is included in that program's section of the budget. For this reason, I have vetoed Section 205(1)(h).

Section 205(1)(q), page 63, Department of Social and Health Services, Developmental Disabilities Employment and Day Services

The Department of Social and Health Services is directed to establish a minimum number of service hours for employment and day services offered as part of a Medicaid waiver program. This requirement creates a potential conflict with federal requirements that a client's individual assessed need is the only determinant for the number of authorized service hours. For this reason, I have vetoed Section 205(1)(q).

Section 207(4), page 72, Department of Social and Health Services, Refugee and Immigrant Assistance Reorganization Report

This proviso requires the Department of Social and Health Services to provide detailed reports on outcomes of reorganizing the Office of Refugee and Immigrant Assistance. No funding was provided for these reports. For this reason, I have vetoed Section 207(4). The Department will keep the Legislature fully apprised of the progress of the reorganization.

Section 209(10), page 77, Department of Social and Health Services, Funds for Podiatry Services

This proviso declares that sufficient funds exist within Medical Assistance appropriations for the delivery of podiatry services as a part of the state's medical program. While there currently are sufficient funds, we need to allow the Department of Social and Health Services the widest range of fiscal flexibility to administer its programs should revenues continue to decline. For this reason, I have vetoed Section 209(10).

Section 209(11), page 77, Department of Social and Health Services, Funds for Adult Dental Services

This proviso declares that sufficient funds exist within Medical Assistance appropriations for the delivery of adult dental services as a part of the state's medical program. While there currently are sufficient funds, we need to allow the Department of Social and Health Services the widest range of fiscal flexibility to administer its programs should revenues continue to decline. For this reason, I have vetoed Section 209(11).

Section 209(14), page 77, Department of Social and Health Services, Funds for Family Planning Nurses

This proviso declares that sufficient funds exist within Medical Assistance appropriations for the staffing of family planning nurses in the state's community service offices as a part of the state's medical program. While there currently are sufficient funds, we need to allow the Department of Social and Health Services the widest range of fiscal flexibility to administer its programs should revenues continue to decline. For this reason, I have vetoed Section 209(14).

Section 209(15), page 77, Department of Social and Health Services, Analysis of Home Dialysis

The Department of Social and Health Services is directed to conduct an analysis of potential savings that may be generated by using home-based kidney dialysis. The state already provides this service when appropriate. Additionally, no funding was provided for this analysis. For these reasons, I have vetoed Section 209(15).

Section 209(33), page 81, Department of Social and Health Services, Graduate Medical Education payments

This proviso requires the Department of Social and Health Services to direct payments for the federal Graduate Medical Education Program (GME) to graduate programs that focus on primary care training. While I commend the effort to increase the level of primary care training, the method proposed by the proviso is not feasible. The University of Washington Medical Center and Harborview Medical Center are the only two participating GME programs. GME program payments are included as a part of their reimbursement for inpatient hospital services provided to state clients. There is no way for the Department to direct the payments exclusively to primary care training. For this reason, I have vetoed Section 209(33).

Section 222(3), page 94, Department of Health, Pesticide Incident Report and Review Panel

The Department of Health is required to continue the operations of the Pesticide Incident Report and Review Panel. The budget includes a 50 percent reduction in funding for this activity and for human pesticide exposure and poisoning programs. It is inappropriate to prioritize the activity of the panel over other activities and programs administered by the Department. For this reason, I have vetoed Section 222(3).

Section 222(20), page 96, Department of Health, Health Care Workforce Survey

This proviso declares that sufficient funds are provided for the continuation of the Health Care Workforce survey. Like all state agencies, the Department of Health is being asked to make significant service reductions. We need to allow the agency the widest range of fiscal flexibility to administer its programs should revenues continue to decline. For this reason, I have vetoed Section 222(20).

Section 223(2)(b), page 97, Department of Corrections, Pet Partnership Program at Women's Corrections Center

While this program has demonstrated benefits, the agency should have flexibility to prioritize its expenditures to accommodate the significant reductions reflected in this budget. For this reason, I have vetoed Section 223(2)(b).

Section 223(2)(f), page 98, Department of Corrections, Correction Savings Bills

This statement on bills that generated budget savings includes two bills that did not pass, Engrossed Senate Bill 6183 (Illegal Immigrant Offenders) and Substitute Senate Bill 6160 (Criminal Justice Sentencing). Therefore, I have vetoed Section 223(2)(f).

Section 302, page 104, lines 18-19, Department of Ecology, Emissions Reduction Assistance Account Appropriation

This section includes an appropriation from the Emissions Reduction Assistance Account, a new account created in Engrossed Second Substitute Senate Bill 5735 (Reducing Greenhouse Gas Emissions), a bill that did not pass. For this reason, I have vetoed this appropriation.

Section 303(4), page 110, State Parks and Recreation Commission, Actively Pursue Transfers of State Parks

This proviso would require the State Parks and Recreation Commission to actively pursue transferring ownership of state parks to local governments, tribes, or other entities. It also would require biennial updates of this effort to the Office of Financial Management and the appropriate fiscal committees of the Legislature. The Commission is already pursuing the transfer of certain state parks that are inconsistent with its long-range strategic Centennial plan. For this reason, I have vetoed section 303(4). However, I encourage the Commission to pursue the transfer of parks to other operators when it is appropriate and mutually beneficial and to provide updates to OFM and the appropriate fiscal committees of the Legislature no later than September 1, 2009.

Section 309(4), page 118, Department of Agriculture, Milk Price Stabilization Work Group and Report

This proviso requires the Department of Agriculture, within existing funds, to convene a meeting of dairy industry members to consider methods to stabilize milk prices, and to report findings to the Legislature. No funding was provided for these activities. For this reason, I have vetoed Section 309(4). I encourage the Department to work with the dairy industry to develop strategies to pursue with our congressional delegation.

Section 401, page 120, lines 7, 17 and 18, Cemetery Account and Funeral Directors and Embalmers Account

Funds from the Cemetery Account and the Funeral Directors and Embalmers Account are appropriated to the Department of Licensing. These accounts were repealed on April 15, 2009, when I signed Engrossed Substitute House Bill 2126, the Cemetery and Funeral Directors Boards bill. For this reason, I have vetoed Section 401, lines 7, 17, and 18.

Section 402(3), page 122, Washington State Patrol, King Air Cost Recovery

The State Patrol will continue to charge other agencies for the use of its planes, but State Patrol security responsibilities have historically been funded in the agency's aviation budget. For this reason, I have vetoed Section 402(3).

Section 614(1), pages 186-187, Workforce Training and Education Coordinating Board

This proviso attempts to direct the Governor's discretionary Workforce Investment Act (WIA) funds to the Workforce Training and Education Coordinating Board to begin work on the Opportunity Internship Program. While I am committed to the success of this new effort, the Board does not control the federal WIA funds, and it is inappropriate to direct the Governor's flexible pool in this manner. I will work with the Board to find a solution that will enable this important work to begin, but have vetoed Section 614(1).

Section 805, page 205, lines 29-31, Transfers from the State Convention and Trade Center Account to the State General Fund

This appropriation implements the transfer from the State Convention and Trade Center Account

to the State General Fund authorized in Section 948. Since I have vetoed that authorization, I have also vetoed Section 805, lines 29-31.

Section 805, page 206, lines 33-35, Transfer from the Performance Audits of Government Account to the State General Fund

Although the Performance Audits of Government Account has accumulated a surplus fund balance during initiation of the State Auditor's program, a transfer of \$29.24 million would significantly detract from the state's ability to conduct performance audits in the future. However, because all of state government must make reductions in these tough economic times, the Auditor has committed to a \$15 million transfer that can be accomplished in the next legislative session. For these reasons, I have vetoed Section 805, lines 33-35.

Section 936, pages 231-232, Savings Incentive Program Report

This section amends RCW 43.79.460 and Section 902, Chapter 4, Laws of 2009, delaying the requirement for the annual Savings Incentive Report until December 2010. Engrossed Substitute House Bill 2327 amends the same statute, but eliminates the report permanently, causing conflicting language. To eliminate conflicting amendments, I have vetoed Section 936.

Section 948, pages 246-248, State Convention and Trade Center Account

Section 948 amends RCW 67.40.040 and Section 917, Chapter 329, Laws of 2008 and Section 6011, Chapter 328, Laws of 2008, defining eligible uses of funds in the State Convention and Trade Center Account, and suspends for the 2009-11 Biennium the retention requirement and transfers to tourism accounts. With the 2010 Olympics being held in Vancouver, British Columbia, we have a unique opportunity to attract tourists to the state of Washington in the next fiscal year. Tourism spending in Washington directly supports nearly 150,000 jobs for our residents -- jobs that are vital to our economic recovery. In addition, while I believe the Fiscal Year 2009 transfer can be accomplished, it may be called into question because of the language in this proviso. This would adversely affect the 2009 supplemental budget. A clean transfer of funds can be accomplished in the 2010 supplemental budget. For these reasons, I have vetoed Section 948.

Section 955, pages 258-259, Department of Fish and Wildlife, Eastern Washington Pheasant Enhancement Account

This section requires that no less than 80 percent of the funds from the Eastern Washington Pheasant Enhancement Account are to be used to purchase or produce pheasants. Substitute House Bill 1778 which I signed on May 5, 2009, removes the 80 percent requirement, which allows the Department more flexibility for habitat development and other long-term actions to improve pheasant production. For this reason, I have vetoed Section 955.

Section 1104(1), page 302, lines 14-15, Department of Social and Health Services, Mental Health Services

Section 1104(2), page 306, lines 22-23, Department of Social and Health Services, Mental Health Services

Section 1105(1), page 310, lines 3-4, Department of Social and Health Services, Developmental Disabilities Community Services

These reductions to Fiscal Year 2009 appropriation are vetoed in order to retain a total of

\$32.276 million to ensure that the Department of Social and Health Services has sufficient resources to cover caseload and related costs in Medical Assistance. For this reason, I have vetoed Section 1104(1), lines 14-15; Section 1104(2), lines 22-23; and Section 1105(1), lines 3 and 4.

A number of appropriations in Engrossed Substitute House Bill 1244 are contingent upon separate legislation, with legislative direction that the appropriations will lapse if the bills are not enacted. The following vetoes relate to bills that did not pass:

Section 103(6), page 4, Joint Legislative Audit and Review Committee, Engrossed Substitute House Bill 2338, (Growth Management Hearings Board)

Section 128(11), pages 23-24, Department of Community, Trade and Economic Development, Engrossed Substitute Senate Bill 5840, (Energy Independence)

Section 128(24), page 26, Department of Community, Trade and Economic Development, Second Substitute House Bill 1797, (Rural and Resource Lands Study)

Section 137(4), page 33, Department of Revenue, Substitute House Bill 1597, (Tax Administration)

Section 152, page 39, lines 20-26, Public Employment Relations Commission, Substitute House Bill 1329, (Child Care Center Collective Bargaining)

Section 153, page 39, lines 34-36, page 40, lines 1-4, Department of Archaeology and Historic Preservation, Second Substitute House Bill 1090, (Human Remains)

Section 218(12), page 90, Department of Labor and Industries, Engrossed Second Substitute Senate Bill 5895, (Residential Real Property)

Section 218(13), page 90, Department of Labor and Industries, Engrossed Substitute Senate Bill 6035, (Retrospective Rating Plans)

Section 218(14), page 90, Department of Labor and Industries, Engrossed Second Substitute House Bill 1393, (Residential Construction)

Section 302(11), page 106, Department of Ecology, Engrossed Second Substitute Senate Bill 5735, (Reducing Greenhouse Gas Emissions)

Section 302(18), page 107, Department of Ecology, Substitute Senate Bill 5282, (Bisphenol A Use)

Section 303(2), page 109, State Parks and Recreation Commission, Substitute House Bill 2109, (State Parks and Recreation Funding)

Section 307(5), page 113, Department of Fish and Wildlife, Substitute House Bill 1972,

(Outdoor Recreation Information)

Section 309(5), page 118, Department of Agriculture, Substitute Senate Bill 5005, (Naturally Raised Beef Cattle)

Section 401(3), page 120, Department of Licensing, Engrossed Substitute Senate Bill 5529, (Architects)

Section 616(8), page 189, Department of Early Learning, Substitute House Bill 1329, (Child Care Center Collective Bargaining).

For these reasons, I have vetoed Sections 103(6); 105(3); 105(5); 117(2); 117(4); 117(5); 124(3); 126(5); 128(7); 128(11); 128(15); 128(17); 128(24); 137(4); 148(5); 152, page 39, lines 20-26; 153, page 39, lines 34-36 and page 40, lines 1-4; 204(4)(a); 205(1)(h); 205(1)(q); 207(4); 209(10); 209(11); 209(14); 209(15); 209(33); 218(12); 218(13); 218(14); 222(3); 222(20); 223(2)(b); 223(2)(f); 302 page 104, lines 18 and 19; 302(11); 302(18); 303(2); 303(4); 307(5); 309(4); 309(5); 401, page 120, lines 7, 17 and 18; 401(3); 402(3); 614(1); 616(8); 805, page 205, lines 29-31; 805, page 206, lines 33-35; 936; 948; 955; 1104(1); 1104(2); and 1105(1) of Engrossed Substitute House Bill 1244.

With the exception of Sections 103(6); 105(3); 105(5); 117(2); 117(4); 117(5); 124(3); 126(5); 128(7); 128(11); 128(15); 128(17); 128(24); 137(4); 148(5); 152, page 39, lines 20-26; 153, page 39, lines 34-36 and page 40, lines 1-4; 204(4)(a); 205(1)(h); 205(1)(q); 207(4); 209(10); 209(11); 209(14); 209(15); 209(33); 218(12); 218(13); 218(14); 222(3); 222(20); 223(2)(b); 223(2)(f); 302 page 104, lines 18 and 19; 302(11); 302(18); 303(2); 303(4); 307(5); 309(4); 309(5); 401, page 120, lines 7, 17 and 18; 401(3); 402(3); 614(1); 616(8); 805, page 205, lines 29-31; 805, page 206, lines 33-35; 936; 948; 955; 1104(1); 1104(2); and 1105(1), Engrossed Substitute House Bill 1244 is approved."
