

SHB 1086 - H AMD
By Representative Alexander

1 Strike everything after the enacting clause and insert the
2 following:

3 "PART I
4 GENERAL GOVERNMENT

5 **Sec. 101.** 2010 1st sp.s. c 37 s 103 (uncodified) is amended to
6 read as follows:

7 **FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE**

| | | |
|----|-------------------------------------------------------|------------------------------|
| 8 | General Fund--State Appropriation (FY 2010) | \$2,874,000 |
| 9 | General Fund--State Appropriation (FY 2011) | ((\$3,152,000)) |
| 10 | | <u>\$2,954,000</u> |
| 11 | TOTAL APPROPRIATION | ((\$6,026,000)) |
| 12 | | <u>\$5,828,000</u> |

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

15 (1) Notwithstanding the provisions of this section, the joint
16 legislative audit and review committee may adjust the due dates for
17 projects included on the committee's 2009-11 work plan as necessary to
18 efficiently manage workload.

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

25 ~~(3) ((Within the amounts appropriated in this section, the~~
26 ~~committee shall conduct a review of the state's workplace safety and~~
27 ~~health program. The review shall examine workplace safety inspection,~~
28 ~~enforcement, training, and outreach efforts compared to other states~~
29 ~~and federal programs; analyze workplace injury and illness rates and~~

~~1 trends in Washington; identify factors that may influence workplace
2 safety and health; and identify practices that may improve workplace
3 safety and health and/or impact insurance costs.~~

4 (4)) Within the amounts appropriated in this section, the
5 committee shall prepare an evaluation of the implementation of
6 legislation designed to improve communication, collaboration, and
7 expedited medicaid attainment with regard to persons released from
8 confinement who have mental health or chemical dependency disorders.
9 The review shall evaluate the implementation of: (a) Chapter 166, Laws
10 of 2004 (E2SSB 6358); (b) sections 507 and 508 of chapter 504, Laws of
11 2005 (E2SSB 5763); (c) sections 12 and 13 of chapter 503, Laws of 2005
12 (E2SHB 1290); and (d) section 8 of chapter 359, Laws of 2007 (2SHB
13 1088). The departments of corrections and social and health services,
14 the administrative office of the courts, institutions for mental
15 disease, city and county jails, city and county courts, county clerks,
16 and mental health and chemical dependency treatment providers shall
17 provide the committee with information necessary for the study.

18 ((+5)) (4) Within the amount appropriated in this section, the
19 joint legislative audit and review committee shall conduct a review of
20 the state's recreational boating programs. This review shall include
21 examination of the following:

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

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

29 ((+6)) (5) Within the amount appropriated in this section, the
30 joint legislative audit and review committee shall examine the
31 operations of employment and day services as provided by the department
32 of social and health services, division of developmental disabilities
33 and administered by the counties. The examination shall include a
34 thorough review of the contracts for all services including, but not
35 limited to, employment services, day services, child development
36 services and other uses of state dollars for county administration of
37 services to the developmentally disabled. In its final report, due to
38 the legislature by September 1, 2010, the joint legislative audit and

1 review committee shall provide: A description of how funds are used
2 and the rates paid to vendors, and a recommendation on best practices
3 the agency may use for the development of a consistent, outcome-based
4 contract for services provided under contract with the counties.

5 ~~((+7))~~ (6) Within the amount appropriated in this section, the
6 joint legislative audit and review committee shall conduct a study of
7 the relationship between the cost of school districts and their
8 enrollment size. The study shall be completed by June 2010 and shall
9 include:

10 (a) An analysis of how categories of costs vary related to size,
11 including but not limited to facility costs, transportation costs,
12 educational costs, and administrative costs;

13 (b) A review of other factors that may impact costs, such as
14 revenues available from local levies and other sources, geographic
15 dispersion, demographics, level of services received from educational
16 service districts, and whether districts operate a high school;

17 (c) Case studies on the change in cost patterns occurring after
18 school district consolidations and for school districts operating under
19 state oversight condition specified in RCW 28A.505.110; and

20 (d) A review of available research on nonfinancial benefits and
21 impacts associated with school and school district size.

22 ~~((+8))~~ (7) \$200,000 of the general fund--state appropriation for
23 fiscal year 2011 is provided for the committee to contract with a
24 consultant specializing in medicaid programs nationwide to review
25 Washington state's medicaid program and report on cost containment
26 strategies for the 2011-13 biennial budget. The report is due to the
27 fiscal committees of the legislature by June 1, 2011.

28 ~~((+9))~~ (8) \$50,000 of the general fund--state appropriation for
29 fiscal year 2011 is provided solely for the joint legislative audit and
30 review committee to complete a report that includes the following: (a)
31 An analysis of the availability within eastern Washington of
32 helicopters that are privately owned or owned by nonstate governmental
33 entities that are sufficiently outfitted to participate in wildfire
34 suppression efforts of the department of natural resources; (b) a
35 comparison of the costs to the department of natural resources for
36 maintaining the existing helicopter fleet versus entering into
37 exclusive use contracts with the helicopters noted in (a) of this
38 subsection; and (c) an analysis that compares the use and funding of

1 helicopters utilized for wildfire suppression in the states of
2 California, Oregon, Idaho, and Montana. The committee shall submit the
3 report to the appropriate fiscal committees of the legislature and the
4 office of financial management no later than December 1, 2010.

5 ~~((+10+))~~ (9)(a) The task force for reform of executive and
6 legislative procedures dealing with tax preferences is hereby
7 established. The task force must:

8 (i) Review current executive and legislative budget and policy
9 practices and procedures associated with the recommendation,
10 development, and consideration of tax preferences, assess the
11 effectiveness of budgeting requirements and practices, the general
12 rigor of justifications and evaluations typically provided during
13 legislative consideration of tax preferences, and the role and value of
14 methodologies currently used to measure the public benefits and costs,
15 including opportunity costs, of tax preferences, as defined in RCW
16 43.136.021.

17 (ii) Consider but not be limited to, the factors listed in RCW
18 43.136.055.

19 (b) The task force may make recommendations to improve the
20 effectiveness of the review process conducted by the citizen commission
21 on performance measurement of tax preferences process as described in
22 chapter 43.136 RCW. The task force may also recommend changes or
23 improvements in the manner in which both the executive branch and
24 legislative branch of state government address tax preferences
25 generally, including those in effect as well as those that may be
26 hereafter proposed, in order to protect the public interest and assure
27 transparency, fairness, and equity in the state tax code.

28 (c) The task force may recommend structural or procedural changes
29 that it feels will enhance both executive and legislative procedures
30 and ensure consistent and rigorous examination of such preferences.

31 (d) The task force must report its recommendations to the governor
32 and legislative fiscal committees by November 15, 2010.

33 (e) The task force has eleven voting members as follows:

34 (i) One member is the state treasurer;

35 (ii) One member is the chair of the joint legislative audit and
36 review committee;

37 (iii) One member is the director of financial management;

1 (iv) A member, four in all, of each of the two largest caucuses of
2 the senate and the two largest caucuses of the house of
3 representatives, appointed by the chair of each caucus; and

4 (v) An appointee who is not a legislator, four in all, of each of
5 the two largest caucuses of the senate and the two largest caucuses of
6 the house of representatives, appointed by the chair of each caucus.

7 (f) Persons appointed by the caucus chairs under (e)(v) of this
8 subsection should be individuals who have a basic understanding of
9 state tax policy, government operations, and public services.

10 (g) The task force must elect a chair from among its members.
11 Decisions of the task force must be made using the sufficient consensus
12 model. For the purposes of this subsection, "sufficient consensus"
13 means the point at which the substantial majority of the commission
14 favors taking a particular action. The chair may determine when a vote
15 must be taken. The task force must allow a minority report to be
16 included with a decision of the task force if requested by a member of
17 the task force.

18 (h) The joint legislative audit and review committee must provide
19 clerical, technical, and management personnel to the task force to
20 serve as the task force's staff. The staff of the legislative fiscal
21 committees, legislative counsel, and the office of financial management
22 must also provide technical assistance to the task force. The
23 department of revenue must provide necessary support and information to
24 the joint task force.

25 (i) The task force must meet at least once a quarter and may hold
26 additional meetings at the call of the chair or by a majority vote of
27 the members of the task force. The members of the task force must be
28 compensated in accordance with RCW 43.03.220 and reimbursed for travel
29 expenses in accordance with RCW 43.03.050 and 43.03.060.

30 **Sec. 102.** 2010 1st sp.s. c 37 s 106 (uncodified) is amended to
31 read as follows:

32 **FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**

| | | |
|----|-------------------------------------------------------|---------------------------|
| 33 | General Fund--State Appropriation (FY 2010) | \$8,652,000 |
| 34 | General Fund--State Appropriation (FY 2011) | (\$8,506,000) |
| 35 | | <u>\$7,971,000</u> |
| 36 | TOTAL APPROPRIATION | (\$17,158,000) |
| 37 | | <u>\$16,623,000</u> |

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 (~~(\$1,687,000)~~) \$1,125,000 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 (~~(\$7,734,000)~~) \$5,156,000 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.

1 (3) The distributions made under this subsection and distributions
2 from the county criminal justice assistance account made pursuant to
3 section 801 of this act constitute appropriate reimbursement for costs
4 for any new programs or increased level of service for purposes of RCW
5 43.135.060.

6 (4) \$5,700,000 of the judicial information systems account--state
7 appropriation is provided solely for modernization and integration of
8 the judicial information system.

9 (a) Of this amount, \$1,700,000 is for the development of a
10 comprehensive enterprise-level information technology strategy and
11 detailed business and operational plans in support of that strategy,
12 and \$4,000,000 is to continue to modernize and integrate current
13 systems and enhance case management functionality on an incremental
14 basis.

15 (b) The amount provided in this subsection may not be expended
16 without prior approval by the judicial information system committee.
17 The administrator shall regularly submit project plan updates for
18 approval to the judicial information system committee.

19 (c) The judicial information system committee shall review project
20 progress on a regular basis and may require quality assurance plans.
21 The judicial information systems committee shall provide a report to
22 the appropriate committees of the legislature no later than November 1,
23 2011, on the status of the judicial information system modernization
24 and integration, and the consistency of the project with the state's
25 architecture, infrastructure and statewide enterprise view of service
26 delivery.

27 (d) \$100,000 of the judicial information systems account--state
28 appropriation is provided solely for the administrative office of the
29 courts, in coordination with the judicial information system committee,
30 to conduct an independent third-party executive-level review of the
31 judicial information system. This review shall examine, at a minimum,
32 the scope of the current project plan, governance structure, and
33 organizational change management procedures. The review will also
34 benchmark the system plans against similarly sized projects in other
35 states or localities, review the large scale program risks, and
36 estimate life cycle costs, including capital and on-going operational
37 expenditures.

1 (5) \$3,000,000 of the judicial information systems account--state
2 appropriation is provided solely for replacing computer equipment at
3 state courts, and at state judicial agencies. The administrator for
4 the courts shall prioritize equipment replacement purchasing and shall
5 fund those items that are most essential or critical. By October 1,
6 2010, the administrative office of the courts shall report to the
7 appropriate legislative fiscal committees on expenditures for equipment
8 under this subsection.

9 (6) \$12,000 of the judicial information systems account--state
10 appropriation is provided solely to implement Engrossed Substitute
11 House Bill No. 1954 (sealing juvenile records). If the bill is not
12 enacted by June 30, 2009, the amount provided in this subsection shall
13 lapse.

14 (7) \$106,000 of the general fund--state appropriation for fiscal
15 year 2010 and \$106,000 of the general fund--state appropriation for
16 fiscal year 2011 are provided solely for the twenty-third superior
17 court judge position in Pierce county. The funds appropriated in this
18 subsection shall be expended only if the judge is appointed and serving
19 on the bench.

20 (8) It is the intent of the legislature that the reductions in
21 appropriations in this section shall be achieved, to the greatest
22 extent possible, by reducing those state government administrative
23 costs that do not affect direct client services or direct service
24 delivery or programs. The agency shall, to the greatest extent
25 possible, reduce spending in those areas that shall have the least
26 impact on implementing its mission.

27 (9) \$44,000 of the judicial information systems account--state
28 appropriation is provided solely to implement chapter 272, Laws of 2010
29 (SHB 2680; guardianship).

30 (10) \$274,000 of the general fund--state appropriation for fiscal
31 year 2011 is provided solely for the office of public guardianship to
32 provide guardianship services for low-income incapacitated persons.

33 (11) \$3,797,000 of the judicial information systems account--state
34 appropriation is provided solely for continued planning and
35 implementation of improvements to the court case management system.

36 **Sec. 106.** 2010 1st sp.s. c 37 s 118 (uncodified) is amended to
37 read as follows:

1 **FOR THE PUBLIC DISCLOSURE COMMISSION**

| | | |
|---|-------------------------------------------------------|--------------------------|
| 2 | General Fund--State Appropriation (FY 2010) | \$2,249,000 |
| 3 | General Fund--State Appropriation (FY 2011) | (\$2,212,000) |
| 4 | | <u>\$1,969,000</u> |
| 5 | TOTAL APPROPRIATION | (\$4,461,000) |
| 6 | | <u>\$4,218,000</u> |

7 **Sec. 107.** 2010 1st sp.s. c 37 s 120 (uncodified) is amended to
8 read as follows:

9 **FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS**

| | | |
|----|-------------------------------------------------------|------------------------|
| 10 | General Fund--State Appropriation (FY 2010) | \$275,000 |
| 11 | General Fund--State Appropriation (FY 2011) | (\$262,000) |
| 12 | | <u>\$233,000</u> |
| 13 | TOTAL APPROPRIATION | (\$537,000) |
| 14 | | <u>\$508,000</u> |

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

25 **Sec. 108.** 2010 1st sp.s. c 37 s 121 (uncodified) is amended to
26 read as follows:

27 **FOR THE COMMISSION ON ASIAN PACIFIC AMERICAN AFFAIRS**

| | | |
|----|-------------------------------------------------------|------------------------|
| 28 | General Fund--State Appropriation (FY 2010) | \$216,000 |
| 29 | General Fund--State Appropriation (FY 2011) | (\$236,000) |
| 30 | | <u>\$221,000</u> |
| 31 | TOTAL APPROPRIATION | (\$452,000) |
| 32 | | <u>\$437,000</u> |

33 **Sec. 109.** 2010 1st sp.s. c 37 s 123 (uncodified) is amended to
34 read as follows:

1 **FOR THE STATE AUDITOR**

| | | |
|---|-------------------------------------------------------|-------------------------------|
| 2 | General Fund--State Appropriation (FY 2010) | \$722,000 |
| 3 | General Fund--State Appropriation (FY 2011) | ((\$717,000)) |
| 4 | | <u>\$638,000</u> |
| 5 | State Auditing Services Revolving | |
| 6 | Account--State Appropriation | \$10,749,000 |
| 7 | TOTAL APPROPRIATION | ((\$12,188,000)) |
| 8 | | <u>\$12,109,000</u> |

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

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

16 (2) \$722,000 of the general fund--state appropriation for fiscal
17 year 2010 and ((~~\$717,000~~)) \$638,000 of the general fund--state
18 appropriation for fiscal year 2011 are provided solely for staff and
19 related costs to verify the accuracy of reported school district data
20 submitted for state funding purposes; conduct school district program
21 audits of state funded public school programs; establish the specific
22 amount of state funding adjustments whenever audit exceptions occur and
23 the amount is not firmly established in the course of regular public
24 school audits; and to assist the state special education safety net
25 committee when requested.

26 (3) Within the amounts appropriated in this section, the state
27 auditor shall continue to complete the annual audit of the state's
28 comprehensive annual financial report and the annual federal single
29 audit consistent with the auditing standards generally accepted in the
30 United States and the standards applicable to financial audits
31 contained in government auditing standards, issued by the comptroller
32 general of the United States, and OMB circular A-133, audits of states,
33 local governments, and nonprofit organizations.

34 (4) The legislature finds that the major changes in personnel
35 funding in this budget and the long term effects of the ongoing
36 economic recession combine with structural changes in the nature of
37 work and employment in many state agencies to require a continuing
38 review of the workforce examination begun under chapter 534, Laws of

1 2009 (exempt employment practices). The legislature notes the ongoing
2 management reforms of the Washington management service being
3 undertaken by the department of personnel, and anticipates a continuing
4 legislative committee examination of the architecture and cost of the
5 state's career and executive workforce. To that end, the office of
6 state auditor is invited to provide by September 1, 2010, a general
7 survey of new and best practices for executive and career workforce
8 management now in use by other states and relevant industries.

9 **Sec. 110.** 2010 1st sp.s. c 37 s 124 (uncodified) is amended to
10 read as follows:

11 **FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS**

| | | |
|----|-------------------------------------------------------|------------------------|
| 12 | General Fund--State Appropriation (FY 2010) | \$168,000 |
| 13 | General Fund--State Appropriation (FY 2011) | (\$206,000) |
| 14 | | <u>\$193,000</u> |
| 15 | TOTAL APPROPRIATION | (\$374,000) |
| 16 | | <u>\$361,000</u> |

17 **Sec. 111.** 2010 2nd sp.s. c 1 s 115 (uncodified) is amended to read
18 as follows:

19 **FOR THE ATTORNEY GENERAL**

| | | |
|----|-------------------------------------------------------|----------------------------|
| 20 | General Fund--State Appropriation (FY 2010) | \$5,732,000 |
| 21 | General Fund--State Appropriation (FY 2011) | \$5,272,000 |
| 22 | General Fund--Federal Appropriation | \$4,026,000 |
| 23 | New Motor Vehicle Arbitration Account--State | |
| 24 | Appropriation | \$1,350,000 |
| 25 | Legal Services Revolving Account--State | |
| 26 | Appropriation | (\$220,909,000) |
| 27 | | <u>\$224,523,000</u> |
| 28 | Tobacco Prevention and Control Account--State | |
| 29 | Appropriation | \$270,000 |
| 30 | TOTAL APPROPRIATION | (\$237,559,000) |
| 31 | | <u>\$241,173,000</u> |

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

34 (1) The attorney general shall report each fiscal year on actual
35 legal services expenditures and actual attorney staffing levels for
36 each agency receiving legal services. The report shall be submitted to

1 the office of financial management and the fiscal committees of the
2 senate and house of representatives no later than ninety days after the
3 end of each fiscal year. As part of its by agency report to the
4 legislative fiscal committees and the office of financial management,
5 the office of the attorney general shall include information detailing
6 the agency's expenditures for its agency-wide overhead and a breakdown
7 by division of division administration expenses.

8 (2) Prior to entering into any negotiated settlement of a claim
9 against the state that exceeds five million dollars, the attorney
10 general shall notify the director of financial management and the
11 chairs of the senate committee on ways and means and the house of
12 representatives committee on ways and means.

13 (3) The office of the attorney general is authorized to expend
14 \$2,100,000 from the Zyprexa and other cy pres awards towards consumer
15 protection costs in accordance with uses authorized in the court
16 orders.

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

24 (5) The executive ethics board must produce a report by the end of
25 the calendar year for the legislature regarding performance measures on
26 the efficiency and effectiveness of the board, as well as on
27 performance measures to measure and monitor the ethics and integrity of
28 all state agencies.

29 (6) \$53,000 of the legal services revolving account--state
30 appropriation is provided solely to implement Engrossed Second
31 Substitute House Bill No. 3026 (school district compliance with state
32 and federal civil rights laws).

33 **Sec. 112.** 2010 1st sp.s. c 37 s 126 (uncodified) is amended to
34 read as follows:

35 **FOR THE CASELOAD FORECAST COUNCIL**

| | | | |
|----|---------------------------------------------|-----------|----------------------------|
| 36 | General Fund--State Appropriation (FY 2010) | | \$766,000 |
| 37 | General Fund--State Appropriation (FY 2011) | | ((\$742,000)) |

1 \$660,000
 2 TOTAL APPROPRIATION ((~~\$1,508,000~~))
 3 \$1,426,000

4 The appropriations in this section are subject to the following
 5 conditions and limitations: \$13,000 of the general fund--state
 6 appropriation for fiscal year 2010 and \$7,000 of the general fund--
 7 state appropriation for fiscal year 2011 are for the implementation of
 8 Second Substitute House Bill No. 2106 (improving child welfare outcomes
 9 through the phased implementation of strategic and proven reforms). If
 10 the bill is not enacted by June 30, 2009, the amounts provided in this
 11 subsection shall lapse.

12 **Sec. 113.** 2010 1st sp.s. c 37 s 127 (uncodified) is amended to
 13 read as follows:

14 **FOR THE DEPARTMENT OF COMMERCE**

| | | |
|----|-----------------------------------------------------------------|-------------------------------|
| 15 | General Fund--State Appropriation (FY 2010) | \$49,670,000 |
| 16 | General Fund--State Appropriation (FY 2011) | ((\$40,577,000)) |
| 17 | | <u>\$35,682,000</u> |
| 18 | General Fund--Federal Appropriation | \$381,918,000 |
| 19 | General Fund--Private/Local Appropriation | \$10,622,000 |
| 20 | Public Works Assistance Account--State | |
| 21 | Appropriation | \$2,974,000 |
| 22 | Tourism Development and Promotion Account--State | |
| 23 | Appropriation | \$1,003,000 |
| 24 | Drinking Water Assistance Administrative | |
| 25 | Account--State Appropriation | \$433,000 |
| 26 | Lead Paint Account--State Appropriation | \$35,000 |
| 27 | Building Code Council Account--State Appropriation | \$688,000 |
| 28 | Home Security Fund Account--State Appropriation | ((\$25,486,000)) |
| 29 | | <u>\$21,437,000</u> |
| 30 | Affordable Housing for All Account--State | |
| 31 | Appropriation | \$11,896,000 |
| 32 | Washington Auto Theft Prevention Authority | |
| 33 | Account--State Appropriation | \$300,000 |
| 34 | Independent Youth Housing Account--State | |
| 35 | Appropriation | \$220,000 |
| 36 | County Research Services Account--State Appropriation | \$469,000 |
| 37 | Community Preservation and Development Authority | |

| | | |
|----|---------------------------------------------------------|--------------------------------|
| 1 | Account--State Appropriation | \$350,000 |
| 2 | Financial Fraud and Identity Theft Crimes Investigation | |
| 3 | and Prosecution Account--State Appropriation | \$1,166,000 |
| 4 | Low-Income Weatherization Assistance Account--State | |
| 5 | Appropriation | \$6,882,000 |
| 6 | City and Town Research Services Account--State | |
| 7 | Appropriation | \$2,246,000 |
| 8 | Manufacturing Innovation and Modernization | |
| 9 | Account--State Appropriation | \$230,000 |
| 10 | Community and Economic Development Fee | |
| 11 | Account--State Appropriation | \$6,922,000 |
| 12 | Washington Housing Trust Account--State | |
| 13 | Appropriation | \$15,348,000 |
| 14 | Prostitution Prevention and Intervention Account-- | |
| 15 | State Appropriation | \$125,000 |
| 16 | Public Facility Construction Loan Revolving | |
| 17 | Account--State Appropriation | \$754,000 |
| 18 | TOTAL APPROPRIATION | ((\$560,314,000)) |
| 19 | | <u>\$551,370,000</u> |

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

22 (1) \$2,378,000 of the general fund--state appropriation for fiscal
23 year 2010 and ~~((\$2,379,000))~~ \$2,117,000 of the general fund--state
24 appropriation for fiscal year 2011 are provided solely for a contract
25 with the Washington technology center for work essential to the mission
26 of the Washington technology center and conducted in partnership with
27 universities.

28 (2) Repayments of outstanding loans granted under RCW 43.63A.600,
29 the mortgage and rental assistance program, shall be remitted to the
30 department, including any current revolving account balances. The
31 department shall collect payments on outstanding loans, and deposit
32 them into the state general fund. Repayments of funds owed under the
33 program shall be remitted to the department according to the terms
34 included in the original loan agreements.

35 (3) \$100,000 of the general fund--state appropriation for fiscal
36 year 2010 and ~~((\$100,000))~~ \$89,000 of the general fund--state
37 appropriation for fiscal year 2011 are provided solely to implement

1 section 2(7) of Engrossed Substitute House Bill No. 1959 (land use and
2 transportation planning for marine container ports).

3 (4) \$102,000 of the building code council account--state
4 appropriation is provided solely for the implementation of sections 3
5 and 7 of Engrossed Second Substitute Senate Bill No. 5854 (built
6 environment pollution). If sections 3 and 7 of the bill are not
7 enacted by June 30, 2009, the amounts provided in this subsection shall
8 lapse.

9 (5)(a) \$10,500,000 of the general fund--federal appropriation is
10 provided for training and technical assistance associated with low
11 income weatherization programs. Subject to federal requirements, the
12 department shall provide: (i) Up to \$4,000,000 to the state board for
13 community and technical colleges to provide workforce training related
14 to weatherization and energy efficiency; (ii) up to \$3,000,000 to the
15 Bellingham opportunity council to provide workforce training related to
16 energy efficiency and weatherization; and (iii) up to \$3,500,000 to
17 community-based organizations and to community action agencies
18 consistent with the provisions of Engrossed Second Substitute House
19 Bill No. 2227 (evergreen jobs act). Any funding remaining shall be
20 expended in project 91000013, weatherization, in the omnibus capital
21 appropriations act, Substitute House Bill No. 1216 (capital budget).

22 (b) \$6,787,000 of the general fund--federal appropriation is
23 provided solely for the state energy program, including not less than
24 \$5,000,000 to provide credit enhancements consistent with the
25 provisions of Engrossed Second Substitute Senate Bill No. 5649 (energy
26 efficiency in buildings).

27 (c) Of the general fund--federal appropriation the department shall
28 provide: \$14,500,000 to the Washington State University for the
29 purpose of making grants for pilot projects providing community-wide
30 urban, residential, and commercial energy efficiency upgrades
31 consistent with the provisions of Engrossed Second Substitute Senate
32 Bill No. 5649 (energy efficiency in buildings); \$500,000 to Washington
33 State University to conduct farm energy assessments. In contracting
34 with the Washington State University for the provision of these
35 services, the total administration of Washington State University and
36 the department shall not exceed 3 percent of the amounts provided.

37 (d) \$38,500,000 of the general fund--federal appropriation is

1 provided for deposit in the energy recovery act account to establish a
2 revolving loan program, consistent with the provisions of Engrossed
3 Substitute House Bill No. 2289 (expanding energy freedom program).

4 (e) \$10,646,000 of the general fund--federal appropriation is
5 provided pursuant to the energy efficiency and conservation block grant
6 under the American reinvestment and recovery act. The department may
7 use up to \$3,000,000 of the amount provided in this subsection to
8 provide technical assistance for energy programs administered by the
9 agency under the American reinvestment and recovery act.

10 (6) \$14,000 of the general fund--state appropriation for fiscal
11 year 2010 is provided solely for the implementation of Engrossed Second
12 Substitute Senate Bill No. 5560 (state agency climate leadership). If
13 the bill is not enacted by June 30, 2009, the amount provided in this
14 subsection shall lapse.

15 (7) \$22,400,000 of the general fund--federal appropriation is
16 provided solely for the justice assistance grant program and is
17 contingent upon the department transferring: \$1,200,000 to the
18 department of corrections for security threat mitigation, \$2,336,000 to
19 the department of corrections for offender reentry, \$1,960,000 to the
20 Washington state patrol for law enforcement activities, \$2,087,000 to
21 the department of social and health services, division of alcohol and
22 substance abuse for drug courts, and \$428,000 to the department of
23 social and health services for sex abuse recognition training. The
24 remaining funds shall be distributed by the department to local
25 jurisdictions.

26 (8) \$20,000 of the general fund--state appropriation for fiscal
27 year 2010 and (~~(\$20,000)~~) \$18,000 of the general fund--state
28 appropriation for fiscal year 2011 are provided solely for a grant to
29 KCTS public television to support Spanish language programming and the
30 V-me Spanish language channel.

31 (9) \$500,000 of the general fund--state appropriation for fiscal
32 year 2010 and (~~(\$500,000)~~) \$447,000 of the general fund--state
33 appropriation for fiscal year 2011 are provided solely for a grant to
34 resolution Washington to building statewide capacity for alternative
35 dispute resolution centers and dispute resolution programs that
36 guarantee that citizens have access to low-cost resolution as an
37 alternative to litigation.

1 (10) \$30,000 of the general fund--state appropriation for fiscal
2 year 2010 is provided solely for implementation of Engrossed Second
3 Substitute Senate Bill No. 6015 (commercialization of technology). If
4 the bill is not enacted by June 30, 2009, the amount provided in this
5 subsection shall lapse.

6 (11) By June 30, 2011, the department shall request information
7 that describes what jurisdictions have adopted, or are in the process
8 of adopting, plans that address RCW 36.70A.020 and helps achieve the
9 greenhouse gas emission reductions established in RCW 70.235.020. This
10 information request in this subsection applies to jurisdictions that
11 are required to review and if necessary revise their comprehensive
12 plans in accordance with RCW 36.70A.130.

13 (12) During the 2009-11 fiscal biennium, the department shall allot
14 all of its appropriations subject to allotment by object, account, and
15 expenditure authority code to conform with the office of financial
16 management's definition of an option 2 allotment. For those funds
17 subject to allotment but not appropriation, the agency shall submit
18 option 2 allotments to the office of financial management.

19 (13) \$50,000 of the general fund--state appropriation for fiscal
20 year 2010 and (~~(\$50,000)~~) \$45,000 of the general fund--state
21 appropriation for fiscal year 2011 are provided solely for a grant for
22 the state's participation in the Pacific Northwest economic region.

23 (14) \$712,000 of the general fund--state appropriation for fiscal
24 year 2010 and (~~(\$712,000)~~) \$559,000 of the general fund--state
25 appropriation for fiscal year 2011 are provided solely to the office of
26 crime victims advocacy. These funds shall be contracted with the 39
27 county prosecuting attorneys' offices to support victim-witness
28 services. The funds must be prioritized to ensure a full-time victim-
29 witness coordinator in each county. The office may retain only the
30 amount currently allocated for this activity for administrative costs.

31 (15) \$306,000 of the general fund--state appropriation for fiscal
32 year 2010 and (~~(\$306,000)~~) \$274,000 of the general fund--state
33 appropriation for fiscal year 2011 are provided solely for a grant to
34 the retired senior volunteer program.

35 (16) \$65,000 of the general fund--state appropriation for fiscal
36 year 2010 is provided solely for a contract with a food distribution
37 program for communities in the southwestern portion of the state and

1 for workers impacted by timber and salmon fishing closures and
2 reductions. The department may not charge administrative overhead or
3 expenses to the funds provided in this subsection.

4 (17) \$371,000 of the general fund--state appropriation for fiscal
5 year 2010 and (~~(\$371,000)~~) \$331,000 of the general fund--state
6 appropriation for fiscal year 2011 are provided solely to the northwest
7 agriculture business center.

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

11 (19) \$212,000 of the general fund--federal appropriation is
12 provided solely for implementation of Second Substitute House Bill No.
13 1172 (development rights transfer). If the bill is not enacted by June
14 30, 2009, the amount provided in this subsection shall lapse.

15 (20) \$69,000 of the general fund--state appropriation for fiscal
16 year 2010 and (~~(\$66,000)~~) \$60,000 of the general fund--state
17 appropriation for fiscal year 2011 are provided solely for
18 implementation of Engrossed Second Substitute House Bill No. 2227
19 (evergreen jobs act). If the bill is not enacted by June 30, 2009, the
20 amounts provided in this subsection shall lapse.

21 (21) \$350,000 of the community development and preservation
22 authority account--state appropriation is provided solely for a grant
23 to a community development authority established under chapter 43.167
24 RCW. The community preservation and development's board of directors
25 may contract with nonprofit community organizations to aid in
26 mitigating the effects of increased public impact on urban
27 neighborhoods due to events in stadia that have a capacity of over
28 50,000 spectators.

29 (22) \$300,000 of the Washington auto theft prevention authority
30 account--state appropriation is provided solely for a contract with a
31 community group to build local community capacity and economic
32 development within the state by strengthening political relationships
33 between economically distressed communities and governmental
34 institutions. The community group shall identify opportunities for
35 collaboration and initiate activities and events that bring community
36 organizations, local governments, and state agencies together to
37 address the impacts of poverty, political disenfranchisement, and

1 economic inequality on communities of color. These funds must be
2 matched by other nonstate sources on an equal basis.

3 (23) (~~(\$1,800,000)~~) \$1,500,000 of the home security fund--state
4 appropriation is provided for transitional housing assistance or
5 partial payments for rental assistance under the independent youth
6 housing program.

7 (24) (~~(\$5,000,000)~~) \$4,166,667 of the home security fund--state
8 appropriation is provided solely for the operation, repair, and
9 staffing of shelters in the homeless family shelter program.

10 (25) \$253,000 of the general fund--state appropriation for fiscal
11 year 2010 and (~~(\$283,000)~~) \$253,000 of the general fund--state
12 appropriation for fiscal year 2011 are provided solely for the
13 Washington new Americans program.

14 (26) \$438,000 of the general fund--state appropriation for fiscal
15 year 2010 and (~~(\$438,000)~~) \$394,000 of the general fund--state
16 appropriation for fiscal year 2011 are provided solely for the
17 Washington asset building coalitions.

18 (~~(+29)~~) (27) \$3,231,000 of the general fund--state appropriation
19 for fiscal year 2010 and (~~(\$3,231,000)~~) \$3,027,000 of the general fund--
20 -state appropriation for fiscal year 2011 are provided solely for
21 associate development organizations.

22 (~~(+30)~~) (28) \$5,400,000 of the community and economic development
23 fee account is provided as follows: \$1,000,000 is provided solely for
24 the department of commerce for services for homeless families through
25 the Washington families fund; \$2,600,000 is provided solely for housing
26 trust fund operations and maintenance; \$800,000 is provided solely for
27 housing trust fund portfolio management; \$500,000 is provided solely
28 for foreclosure counseling and support; and \$500,000 is provided solely
29 for use as a reserve in the account.

30 (~~(+32) - \$250,000~~) (29) \$237,000 of the general fund--state
31 appropriation for fiscal year 2011 is provided solely for the
32 department to administer a competitive grant program to fund economic
33 development activities designed to further regional cluster growth and
34 to integrate its sector-based and cluster-based strategies with its
35 support for the development of innovation partnership zones. Grant
36 recipients must provide matching funds equal to the size of the grant.
37 Grants may be awarded to support the formation of sector associations
38 or cluster associations, the identification of the technology and

1 commercialization needs of a sector or cluster, facilitating working
2 relationships between a sector association or cluster association and
3 an innovation partnership zone, expanding the operations of an
4 innovation partnership zone, and developing and implementing plans to
5 meet the technology development and commercialization needs of industry
6 sectors, industry clusters, and innovation partnership zones. The
7 projects receiving grants must not duplicate the purpose or efforts of
8 industry skill panels but priority must be given to applicants that
9 complement industry skill panels and will use the grant funds to build
10 linkages and joint projects.

11 ~~((33) - \$100,000)~~ (30) - \$85,000 of the general fund--state
12 appropriation for fiscal year 2011 is provided solely to:

13 (a) Develop a rural manufacturer export outreach program in
14 conjunction with impact Washington. The program must provide outreach
15 services to rural manufacturers in Washington to inform them of the
16 importance of and opportunities in international trade, and to inform
17 them of the export assistance programs available to assist these
18 businesses to become exporters; and

19 (b) Develop export loan or loan guarantee programs in conjunction
20 with the Washington economic development finance authority and the
21 appropriate federal and private entities.

22 ~~((34) - \$1,000,000)~~ (31) - \$400,000 of the general fund--state
23 appropriation for fiscal year 2011 is provided solely to implement the
24 provisions of chapter 13, Laws of 2010 (global health program).

25 ~~((35))~~ (32) \$50,000 of the general fund--state appropriation for
26 fiscal year 2011 is provided solely for the creation of the Washington
27 entrepreneurial development and small business reference service in the
28 department of commerce.

29 (a) The department must:

30 (i) In conjunction with and drawing on information compiled by the
31 work force training and education coordinating board and the Washington
32 economic development commission:

33 (A) Establish and maintain an inventory of the public and private
34 entrepreneurial training and technical assistance services, programs,
35 and resources available in the state;

36 (B) Disseminate information about available entrepreneurial
37 development and small business assistance services, programs, and

1 resources via in-person presentations and electronic and printed
2 materials and undertake other activities to raise awareness of
3 entrepreneurial training and small business assistance offerings; and

4 (C) Evaluate the extent to which existing entrepreneurial training
5 and technical assistance programs in the state are effective and
6 represent a consistent, integrated approach to meeting the needs of
7 start-up and existing entrepreneurs;

8 (ii) Assist providers of entrepreneurial development and small
9 business assistance services in applying for federal and private
10 funding to support the entrepreneurial development and small business
11 assistance activities in the state;

12 (iii) Distribute awards for excellence in entrepreneurial training
13 and small business assistance; and

14 (iv) Report to the governor, the economic development commission,
15 the work force training and education coordinating board, and the
16 appropriate legislative committees its recommendations for statutory
17 changes necessary to enhance operational efficiencies or enhance
18 coordination related to entrepreneurial development and small business
19 assistance.

20 (b) In carrying out the duties under this section, the department
21 must seek the advice of small business owners and advocates, the
22 Washington economic development commission, the work force training and
23 education coordinating board, the state board for community and
24 technical colleges, the employment security department, the Washington
25 state microenterprise association, associate development organizations,
26 impact Washington, the Washington quality award council, the Washington
27 technology center, the small business export finance assistance center,
28 the Spokane intercollegiate research and technology institute,
29 representatives of the University of Washington business school and the
30 Washington State University college of business and economics, the
31 office of minority and women's business enterprises, the Washington
32 economic development finance authority, and staff from small business
33 development centers.

34 (c) The director may appoint an advisory board or convene such
35 other individuals or groups as he or she deems appropriate to assist in
36 carrying out the department's duties under this section.

37 ((~~37~~) - \$50,000) (33) - \$45,000 of the general fund--state

1 appropriation for fiscal year 2011 is provided solely for a grant to
2 HistoryLink.

3 **Sec. 114.** 2010 1st sp.s. c 37 s 128 (uncodified) is amended to
4 read as follows:

5 **FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL**

| | | |
|----|-------------------------------------------------------|--------------------------|
| 6 | General Fund--State Appropriation (FY 2010) | \$711,000 |
| 7 | General Fund--State Appropriation (FY 2011) | (\$772,000) |
| 8 | | <u>\$723,000</u> |
| 9 | TOTAL APPROPRIATION | (\$1,483,000) |
| 10 | | <u>\$1,434,000</u> |

11 The appropriations in this section are subject to the following
12 conditions and limitations: The economic and revenue forecast council,
13 in its quarterly revenue forecasts, shall forecast the total revenue
14 for the state lottery.

15 **Sec. 115.** 2010 1st sp.s. c 37 s 130 (uncodified) is amended to
16 read as follows:

17 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

| | | |
|----|----------------------------------------|---------------------------|
| 18 | Administrative Hearings Revolving | |
| 19 | Account--State Appropriation | (\$33,978,000) |
| 20 | | <u>\$34,468,000</u> |

21 The appropriation in this section is subject to the following
22 conditions and limitations: \$725,000 of the administrative hearings
23 revolving account--state appropriation is provided solely to implement
24 Engrossed Second Substitute House Bill No. 2782 (security lifeline
25 act). If the bill is not enacted by June 30, 2010, the amount provided
26 in this subsection shall lapse.

27 **Sec. 116.** 2010 1st sp.s. c 37 s 133 (uncodified) is amended to
28 read as follows:

29 **FOR THE COMMISSION ON HISPANIC AFFAIRS**

| | | |
|----|-------------------------------------------------------|------------------------|
| 30 | General Fund--State Appropriation (FY 2010) | \$250,000 |
| 31 | General Fund--State Appropriation (FY 2011) | (\$255,000) |
| 32 | | <u>\$227,000</u> |
| 33 | TOTAL APPROPRIATION | (\$505,000) |
| 34 | | <u>\$477,000</u> |

1 auditing and compliance, the purchase of third party data sources for
2 enhanced audit selection, and increased traditional auditing and
3 compliance efforts.

4 (3) \$3,127,000 of the general fund--state appropriation for fiscal
5 year 2010 and \$1,737,000 of the general fund--state appropriation for
6 fiscal year 2011 are for the implementation of Senate Bill No. 6173
7 (sales tax compliance). If the bill is not enacted by June 30, 2009,
8 the amounts provided in this subsection shall lapse.

9 (4) \$1,294,000 of the general fund--state appropriation for fiscal
10 year 2010 and \$3,085,000 of the general fund--state appropriation for
11 fiscal year 2011 are for the implementation of Second Engrossed
12 Substitute Senate Bill No. 6143 (excise tax law modifications). If the
13 bill is not enacted by June 30, 2010, the amounts provided in this
14 subsection shall lapse.

15 (5) \$163,000 of the general fund--state appropriation for fiscal
16 year 2011 is provided solely to implement Substitute Senate Bill No.
17 6846 (enhanced 911 services). If the bill is not enacted by June 30,
18 2010, the amount provided in this subsection shall lapse.

19 (6) (~~(\$1,200,000)~~) \$304,000 of the general fund--state
20 appropriation for fiscal year 2011 is provided solely for making the
21 necessary preparations for implementation of the working families tax
22 exemption pursuant to RCW 82.08.0206 in 2012.

23 **Sec. 119.** 2010 1st sp.s. c 37 s 138 (uncodified) is amended to
24 read as follows:

25 **FOR THE BOARD OF TAX APPEALS**

| | | |
|----|-------------------------------------------------------|------------------------------|
| 26 | General Fund--State Appropriation (FY 2010) | \$1,346,000 |
| 27 | General Fund--State Appropriation (FY 2011) | ((\$1,318,000)) |
| 28 | | <u>\$1,195,000</u> |
| 29 | TOTAL APPROPRIATION | ((\$2,664,000)) |
| 30 | | <u>\$2,541,000</u> |

31 **Sec. 120.** 2010 1st sp.s. c 37 s 141 (uncodified) is amended to
32 read as follows:

33 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

| | | |
|----|-------------------------------------------------------|------------------------------|
| 34 | General Fund--State Appropriation (FY 2010) | \$815,000 |
| 35 | General Fund--State Appropriation (FY 2011) | ((\$3,963,000)) |
| 36 | | <u>\$3,527,000</u> |

1 General Fund--Federal Appropriation \$2,956,000
 2 Building Code Council Account--State Appropriation ((~~\$593,000~~))
 3 \$875,000
 4 General Fund--Private/Local Appropriation \$84,000
 5 General Administration Service Account--State
 6 Appropriation \$31,748,000
 7 TOTAL APPROPRIATION ((~~\$40,159,000~~))
 8 \$40,005,000

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

11 (1) \$28,000 of the general fund--state appropriation for fiscal
 12 year 2010 and ((~~\$28,000~~)) \$14,000 of the general fund--state
 13 appropriation for fiscal year 2011 are provided solely for the purposes
 14 of section 8 of Engrossed Second Substitute Senate Bill No. 5854 (built
 15 environment pollution). If section 8 of the bill is not enacted by
 16 June 30, 2009, the amounts provided in this subsection shall lapse.

17 (2) ((~~\$3,545,000~~)) \$3,197,000 of the general fund--state
 18 appropriation for fiscal year 2011 is provided solely for the payment
 19 of facilities and services charges, utilities and contracts charges,
 20 public and historic facilities charges, and capital projects surcharges
 21 allocable to the senate, house of representatives, statute law
 22 committee, and joint legislative systems committee. The department
 23 shall allocate charges attributable to these agencies among the
 24 affected revolving funds. The department shall enter into an
 25 interagency agreement with these agencies by July 1, 2010, to establish
 26 performance standards, prioritization of preservation and capital
 27 improvement projects, and quality assurance provisions for the delivery
 28 of services under this subsection. The agencies named in this
 29 subsection shall continue to enjoy all of the same rights of occupancy,
 30 support, and space use on the capitol campus as historically
 31 established.

32 (3) \$84,000 of the general fund--private/local appropriation and
 33 \$593,000 of the building code council account--state appropriation are
 34 provided solely to implement Engrossed Second Substitute House Bill No.
 35 2658 (refocusing the department of commerce, including transferring
 36 programs). If the bill is not enacted by June 30, 2010, the amounts
 37 provided in this subsection shall lapse.

1 bill is not enacted by June 30, 2010, the amount provided in this
2 subsection shall lapse.

3 (4) Appropriations in this section include amounts sufficient to
4 implement Engrossed Substitute House Bill No. 3178 (technology
5 efficiencies).

6 (5) The department is prohibited from expending any amounts
7 appropriated in this section or any amounts from other funds managed by
8 the department for the purchase, restoration, installation, or
9 deployment of equipment for the new state data center authorized in
10 section 6031(8), chapter 497, Laws of 2009, or for preparing for a move
11 to the new data center. The department may continue planning
12 activities to develop cost effective solutions for information
13 technology management.

14 **Sec. 122.** 2010 1st sp.s. c 37 s 146 (uncodified) is amended to
15 read as follows:

16 **FOR THE LIQUOR CONTROL BOARD**

17 Liquor Control Board Construction and Maintenance

| | | |
|----|---------------------------------------------------------|----------------------------|
| 18 | Account--State Appropriation | \$8,817,000 |
| 19 | Liquor Revolving Account--State Appropriation | (\$156,580,000) |
| 20 | | <u>\$156,691,000</u> |
| 21 | TOTAL APPROPRIATION | (\$165,397,000) |
| 22 | | <u>\$165,508,000</u> |

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

25 (1) \$1,306,000 of the liquor revolving account--state appropriation
26 is provided solely for the liquor control board to open five new state
27 stores.

28 (2) \$40,000 of the liquor revolving account--state appropriation is
29 provided solely for the liquor control board to open ten new contract
30 stores.

31 (3) ~~(\$3,059,000)~~ \$2,810,000 of the liquor revolving account--
32 state appropriation is provided solely for the liquor control board to
33 increase state and local revenues from new retail strategies including
34 opening nine state stores on Sunday, opening state liquor stores on
35 seven holidays, opening six mall locations during the holiday season,
36 and increasing lottery sales.

1 (4) \$173,000 of the liquor revolving account--state appropriation
2 is provided solely for the Engrossed House Bill No. 2040 (beer and wine
3 regulation commission). If the bill is not enacted by June 30, 2009,
4 the amount provided in this subsection shall lapse.

5 (5) \$130,000 of the liquor revolving account appropriation is
6 provided to implement chapter 141, Laws of 2010 (SSB 6329).

7 (6) Within the amounts appropriated in this section, the liquor
8 control board shall monitor the tasting endorsement authorized by
9 chapter 141, Laws of 2010 (SSB 6329) and report to the appropriate
10 committees of the legislature by June 30, 2011, on the enforcement of
11 the endorsement. The report must include the number of compliance
12 checks conducted by the liquor board during tasting activities, whether
13 the checks were conducted with the knowledge of the licensee, the
14 number of compliance checks passed, the number and type of notices of
15 violation issued, the penalties imposed for the violations, the number
16 of complaints received about tasting activities, and other information
17 related to the enforcement of the endorsement. If the bill is not
18 enacted by June 30, 2010, the requirements of this subsection shall be
19 null and void.

20 (7) The board shall prepare a plan to transition selected state
21 liquor stores to contract stores. The plan must identify stores for
22 transition that the board determines will result in the greatest
23 efficiency and cost-effectiveness for the state. The plan must provide
24 for the conversion of at least twenty state liquor stores to contract
25 liquor stores and for that conversion to occur between July 1, 2011,
26 and July 1, 2013. The plan must also include an analysis of the
27 revenue generating capacity and costs for the stores before and after
28 the conversion as well as an analysis of access to liquor by
29 intoxicated and underage persons. The board shall submit the plan to
30 the appropriate policy and fiscal committees of the legislature by
31 November 1, 2010.

32 **Sec. 123.** 2010 1st sp.s. c 37 s 148 (uncodified) is amended to
33 read as follows:

34 **FOR THE MILITARY DEPARTMENT**

| | | |
|----|-------------------------------------------------------|--------------------------|
| 35 | General Fund--State Appropriation (FY 2010) | \$9,350,000 |
| 36 | General Fund--State Appropriation (FY 2011) | (\$8,874,000) |
| 37 | | <u>\$7,898,000</u> |

| | | |
|----|---------------------------------------------------------------|--------------------------------|
| 1 | General Fund--Federal Appropriation | \$168,599,000 |
| 2 | Enhanced 911 Account--State Appropriation | \$44,508,000 |
| 3 | Disaster Response Account--State Appropriation | \$28,350,000 |
| 4 | Disaster Response Account--Federal Appropriation | \$114,496,000 |
| 5 | Military Department Rent and Lease Account--State | |
| 6 | Appropriation | \$612,000 |
| 7 | Military Department Active State Service Account--Federal | |
| 8 | Appropriation | \$592,000 |
| 9 | Worker and Community Right-to-Know Account--State | |
| 10 | Appropriation | \$341,000 |
| 11 | Nisqually Earthquake Account--State Appropriation | \$307,000 |
| 12 | Nisqually Earthquake Account--Federal Appropriation | \$1,067,000 |
| 13 | TOTAL APPROPRIATION | ((\$377,096,000)) |
| 14 | | <u>\$376,120,000</u> |

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

17 (1) \$28,326,000 of the disaster response account--state
18 appropriation and \$114,496,000 of the disaster response account--
19 federal appropriation may be spent only on disasters declared by the
20 governor and with the approval of the office of financial management.
21 The military department shall submit a report to the office of
22 financial management and the legislative fiscal committees on October
23 1st and February 1st of each year detailing information on the disaster
24 response account, including: (a) The amount and type of deposits into
25 the account; (b) the current available fund balance as of the reporting
26 date; and (c) the projected fund balance at the end of the 2009-2011
27 biennium based on current revenue and expenditure patterns.

28 (2) \$307,000 of the Nisqually earthquake account--state
29 appropriation and \$1,067,000 of the Nisqually earthquake account--
30 federal appropriation are provided solely for response and recovery
31 costs associated with the February 28, 2001, earthquake. The military
32 department shall submit a report to the office of financial management
33 and the legislative fiscal committees on October 1st and February 1st
34 of each year detailing earthquake recovery costs, including: (a)
35 Estimates of total costs; (b) incremental changes from the previous
36 estimate; (c) actual expenditures; (d) estimates of total remaining
37 costs to be paid; and (e) estimates of future payments by biennium.
38 This information shall be displayed by fund, by type of assistance, and

1 by amount paid on behalf of state agencies or local organizations. The
 2 military department shall also submit a report quarterly to the office
 3 of financial management and the legislative fiscal committees detailing
 4 information on the Nisqually earthquake account, including: (a) The
 5 amount and type of deposits into the account; (b) the current available
 6 fund balance as of the reporting date; and (c) the projected fund
 7 balance at the end of the 2009-2011 biennium based on current revenue
 8 and expenditure patterns.

9 (3) \$85,000,000 of the general fund--federal appropriation is
 10 provided solely for homeland security, subject to the following
 11 conditions:

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

15 (b) The department shall submit an annual report to the office of
 16 financial management and the legislative fiscal committees detailing
 17 the governor's domestic security advisory group recommendations;
 18 homeland security revenues and expenditures, including estimates of
 19 total federal funding for the state; and incremental changes from the
 20 previous estimate.

21 (4) \$500,000 of the general fund--state appropriation for fiscal
 22 year 2010 is provided solely for the military department to contract
 23 with the Washington information network 2-1-1 to operate a statewide 2-
 24 1-1 system. The department shall provide the entire amount for 2-1-1
 25 and may not use any of the funds for administrative purposes.

26 **Sec. 124.** 2010 1st sp.s. c 37 s 150 (uncodified) is amended to
 27 read as follows:

28 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

| | | |
|----|-------------------------------------------------------|--------------------------|
| 29 | General Fund--State Appropriation (FY 2010) | \$2,667,000 |
| 30 | General Fund--State Appropriation (FY 2011) | (\$2,635,000) |
| 31 | | <u>\$2,345,000</u> |
| 32 | Higher Education Personnel Services Account--State | |
| 33 | Appropriation | \$250,000 |
| 34 | Department of Personnel Service Account--State | |
| 35 | Appropriation | \$3,263,000 |
| 36 | TOTAL APPROPRIATION | (\$8,815,000) |
| 37 | | <u>\$8,525,000</u> |

1 The appropriations in this section are subject to the following
2 conditions and limitations: \$50,000 of the general fund--state
3 appropriation for fiscal year 2011 is provided solely for
4 implementation of Engrossed Substitute Senate Bill No. 6726 (language
5 access provider bargaining).

6 **Sec. 125.** 2010 1st sp.s. c 37 s 151 (uncodified) is amended to
7 read as follows:

8 **FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION**

| | | |
|----|-------------------------------------------------------|------------------------------|
| 9 | General Fund--State Appropriation (FY 2010) | \$1,371,000 |
| 10 | General Fund--State Appropriation (FY 2011) | ((\$1,382,000)) |
| 11 | | <u>\$1,230,000</u> |
| 12 | General Fund--Federal Appropriation | \$2,293,000 |
| 13 | General Fund--Private/Local Appropriation | \$14,000 |
| 14 | TOTAL APPROPRIATION | ((\$5,060,000)) |
| 15 | | <u>\$4,908,000</u> |

16 The appropriations in this section are subject to the following
17 conditions and limitations: \$44,000 of the general fund--state
18 appropriation for fiscal year 2011 is provided for implementation of
19 Substitute House Bill No. 2704 (Washington main street program). If
20 the bill is not enacted by June 30, 2010, the amount provided in this
21 subsection shall lapse.

22 **Sec. 126.** 2010 1st sp.s. c 37 s 153 (uncodified) is amended to
23 read as follows:

24 **FOR THE STATE CONVENTION AND TRADE CENTER**

| | | |
|----|--------------------------------------------------|--------------------------------|
| 25 | State Convention and Trade Center Account--State | |
| 26 | Appropriation | ((\$60,127,000)) |
| 27 | | <u>\$35,127,000</u> |
| 28 | State Convention and Trade Center Operating | |
| 29 | Account--State Appropriation | ((\$56,694,000)) |
| 30 | | <u>\$31,694,000</u> |
| 31 | TOTAL APPROPRIATION | ((\$116,821,000)) |
| 32 | | <u>\$66,821,000</u> |

(End of part)

PART II
HUMAN SERVICES

Sec. 201. 2010 2nd sp.s. c 1 s 201 (uncodified) is amended to read as follows:

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

| | |
|-----------------------------------------------------|------------------------------|
| General Fund--State Appropriation (FY 2010) | \$315,002,000 |
| General Fund--State Appropriation (FY 2011) | (\$293,707,000) |
| | <u>\$283,047,000</u> |
| General Fund--Federal Appropriation | (\$497,964,000) |
| | <u>\$493,451,000</u> |
| General Fund--Private/Local Appropriation | \$3,320,000 |
| Home Security Fund Appropriation | (\$9,983,000) |
| | <u>\$8,224,000</u> |
| Domestic Violence Prevention Account--State | |
| Appropriation | (\$1,154,000) |
| | <u>\$1,077,000</u> |
| Education Legacy Trust Account--State Appropriation | \$725,000 |
| TOTAL APPROPRIATION | (\$1,121,855,000) |
| | <u>\$1,104,846,000</u> |

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

(1) \$937,000 of the general fund--state appropriation for fiscal year 2010 and \$696,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to contract for the operation of one pediatric interim care facility. The facility shall provide residential care for up to thirteen children through two years of age. Seventy-five percent of the children served by the facility must be in need of special care as a result of substance abuse by their mothers. The facility shall also provide on-site training to biological, adoptive, or foster parents. The facility shall provide at least three months of consultation and support to parents accepting placement of children from the facility. The facility may recruit new and current foster and adoptive parents for infants served by the facility. The

1 department shall not require case management as a condition of the
2 contract.

3 (2) \$369,000 of the general fund--state appropriation for fiscal
4 year 2010, (~~(\$366,000)~~) \$343,000 of the general fund--state
5 appropriation for fiscal year 2011, and (~~(\$316,000)~~) \$306,000 of the
6 general fund--federal appropriation are provided solely for up to three
7 nonfacility-based programs for the training, consultation, support, and
8 recruitment of biological, foster, and adoptive parents of children
9 through age three in need of special care as a result of substance
10 abuse by their mothers, except that each program may serve up to three
11 medically fragile nonsubstance-abuse-affected children. In selecting
12 nonfacility-based programs, preference shall be given to programs whose
13 federal or private funding sources have expired or that have
14 successfully performed under the existing pediatric interim care
15 program.

16 (3) \$2,500,000 of the general fund--state appropriation for fiscal
17 year 2010 and (~~(\$88,000)~~) \$46,000 of the general fund--state
18 appropriation for fiscal year 2011, and (~~(\$2,256,000)~~) \$2,098,000 of
19 the home security fund--state appropriation are provided solely for
20 secure crisis residential centers. Within appropriated amounts, the
21 department shall collaborate with providers to maintain no less than
22 forty-five beds that are geographically representative of the state.
23 The department shall examine current secure crisis residential staffing
24 requirements, flexible payment options, center specific waivers, and
25 other appropriate methods to accomplish this outcome.

26 (4) A maximum of (~~(\$73,209,000)~~) \$69,190,000 of the general fund--
27 state appropriations and (~~(\$54,596,000)~~) \$54,443,000 of the general
28 fund--federal appropriations for the 2009-11 biennium shall be expended
29 for behavioral rehabilitative services and these amounts are provided
30 solely for this purpose. The department shall work with behavioral
31 rehabilitative service providers to safely keep youth with emotional,
32 behavioral, or medical needs at home, with relatives, or with other
33 permanent placement resources and decrease the length of service
34 through improved emotional, behavioral, or medical outcomes for
35 children in behavioral rehabilitative services in order to achieve the
36 appropriated levels.

37 (a) Contracted providers shall act in good faith and accept the

1 hardest to serve children, to the greatest extent possible, in order to
2 improve their emotional, behavioral, or medical conditions.

3 (b) The department and the contracted provider shall mutually agree
4 and establish an exit date for when the child is to exit the behavioral
5 rehabilitative service provider. The department and the contracted
6 provider should mutually agree, to the greatest extent possible, on a
7 viable placement for the child to go to once the child's treatment
8 process has been completed. The child shall exit only when the
9 emotional, behavioral, or medical condition has improved or if the
10 provider has not shown progress toward the outcomes specified in the
11 signed contract at the time of exit. This subsection (b) does not
12 prevent or eliminate the department's responsibility for removing the
13 child from the provider if the child's emotional, behavioral, or
14 medical condition worsens or is threatened.

15 (c) The department is encouraged to use performance-based contracts
16 with incentives directly tied to outcomes described in this section.
17 The contracts should incentivize contracted providers to accept the
18 hardest to serve children and incentivize improvement in children's
19 emotional, mental, and medical well-being within the established exit
20 date. The department is further encouraged to increase the use of
21 behavioral rehabilitative service group homes, wrap around services to
22 facilitate and support placement of youth at home with relatives, or
23 other permanent resources, and other means to control expenditures.

24 (d) The total foster care per capita amount shall not increase more
25 than four percent in the 2009-11 biennium and shall not include
26 behavioral rehabilitative service.

27 (5) Within amounts provided for the foster care and adoption
28 support programs, the department shall control reimbursement decisions
29 for foster care and adoption support cases such that the aggregate
30 average cost per case for foster care and for adoption support does not
31 exceed the amounts assumed in the projected caseload expenditures.

32 (6) (~~(\$14,187,000)~~) \$11,566,000 of the general fund--state
33 appropriation for fiscal year 2011 and \$6,231,000 of the general fund--
34 federal appropriation are provided solely for the department to provide
35 contracted prevention and early intervention services. The legislature
36 recognizes the need for flexibility as the department transitions to
37 performance-based contracts. The following services are included in
38 the prevention and early intervention block grant: Crisis family

1 intervention services, family preservation services, intensive family
2 preservation services, evidence-based programs, public health nurses,
3 and early family support services. The legislature intends for the
4 department to maintain and build on existing evidence-based and
5 research-based programs with the goal of utilizing contracted
6 prevention and intervention services to keep children safe at home and
7 to safely reunify families. Priority shall be given to proven
8 intervention models, including evidence-based prevention and early
9 intervention programs identified by the Washington state institute for
10 public policy and the department. The department shall include
11 information on the number, type, and outcomes of the evidence-based
12 programs being implemented in its reports on child welfare reform
13 efforts and shall provide the legislature and governor a report
14 regarding the allocation of resources in this subsection by September
15 30, 2010. The department shall expend federal funds under this
16 subsection in compliance with federal regulations.

17 (7) \$36,000 of the general fund--state appropriation for fiscal
18 year 2010, \$34,000 of the general fund--state appropriation for fiscal
19 year 2011, and \$29,000 of the general fund--federal appropriation are
20 provided solely for the implementation of chapter 465, Laws of 2007
21 (child welfare).

22 (8) \$125,000 of the general fund--state appropriation for fiscal
23 year 2010 and ~~((\$118,000))~~ \$62,000 of the general fund--state
24 appropriation for fiscal year 2011 are provided solely for continuum of
25 care services. \$100,000 of this amount is for Casey family partners
26 and \$25,000 of this amount is for volunteers of America crosswalk in
27 fiscal year 2010. ~~((\$95,000))~~ \$50,000 of this amount is for Casey
28 family partners and ~~((\$23,000))~~ \$12,000 of this amount is for
29 volunteers of America crosswalk in fiscal year 2011.

30 (9) \$1,904,000 of the general fund--state appropriation for fiscal
31 year 2010, ~~((\$1,717,000))~~ \$519,000 of the general fund--state
32 appropriation for fiscal year 2011, and ~~((\$335,000))~~ \$357,000 of the
33 general fund--federal appropriation are provided solely to contract
34 with medical professionals for comprehensive safety assessments of
35 high-risk families and for foster care assessments. ~~((The safety
36 assessments will use validated assessment tools to guide intervention
37 decisions through the identification of additional safety and risk
38 factors. The department will maintain the availability of~~

1 comprehensive foster care assessments and follow up services for
2 children in out of home care who do not have permanent plans,
3 comprehensive safety assessments for families receiving in home child
4 protective services or family voluntary services, and comprehensive
5 safety assessments for families with an infant age birth to fifteen
6 days where the infant was, at birth, diagnosed as substance exposed and
7 the department received an intake referral related to the infant due to
8 the substance exposure. The department must consolidate contracts,
9 streamline administration, and explore efficiencies to achieve
10 savings.))

11 (10) \$7,679,000 of the general fund--state appropriation for fiscal
12 year 2010, \$6,226,000 of the general fund--state appropriation for
13 fiscal year 2011, and \$4,658,000 of the general fund--federal
14 appropriation are provided solely for court-ordered supervised visits
15 between parents and dependent children and for sibling visits. The
16 department shall work collaboratively with the juvenile dependency
17 courts and revise the supervised visit reimbursement procedures to stay
18 within appropriations without impeding reunification outcomes between
19 parents and dependent children. The department shall report to the
20 legislative fiscal committees on September 30, 2010, and December 30,
21 2010, the number of children in foster care who receive supervised
22 visits, their frequency, length of time of each visit, and whether
23 reunification is attained.

24 (11) \$145,000 of the general fund--state appropriation for fiscal
25 year 2010, (~~(\$817,000)~~) \$435,000 of the general fund--state
26 appropriation for fiscal year 2011, and (~~(\$724,000)~~) \$668,000 of the
27 home security fund--state appropriation is provided solely for street
28 youth program services.

29 (12) \$1,522,000 of the general fund--state appropriation for fiscal
30 year 2010, \$1,256,000 of the general fund--state appropriation for
31 fiscal year 2011, and \$1,372,000 of the general fund--federal
32 appropriation are provided solely for the department to recruit foster
33 parents. The recruitment efforts shall include collaborating with
34 community-based organizations and current or former foster parents to
35 recruit foster parents.

36 (13) \$493,000 of the general fund--state appropriation for fiscal
37 year 2010, (~~(\$284,000)~~) \$102,000 of the general fund--state
38 appropriation for fiscal year 2011, \$466,000 of the general fund--

1 private/local appropriation, and \$725,000 of the education legacy trust
2 account--state appropriation are provided solely for children's
3 administration to contract with an educational advocacy provider with
4 expertise in foster care educational outreach. Funding is provided
5 solely for contracted education coordinators to assist foster children
6 in succeeding in K-12 and higher education systems. Funding shall be
7 prioritized to regions with high numbers of foster care youth and/or
8 regions where backlogs of youth that have formerly requested
9 educational outreach services exist. The department shall utilize
10 private matching funds to maintain educational advocacy services.

11 (14) (~~(\$1,677,000)~~) \$1,273,000 of the home security fund account--
12 state appropriation is provided solely for HOPE beds.

13 (15) (~~(\$5,193,000)~~) \$4,052,000 of the home security fund account--
14 state appropriation is provided solely for the crisis residential
15 centers.

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

22 (~~(17) ((Within the amounts appropriated in this section, the~~
23 ~~department shall contract for a pilot project with family and community~~
24 ~~networks in Whatcom county and up to four additional counties to~~
25 ~~provide services. The pilot project shall be designed to provide a~~
26 ~~continuum of services that reduce out of home placements and the~~
27 ~~lengths of stay for children in out of home placement. The department~~
28 ~~and the community networks shall collaboratively select the additional~~
29 ~~counties for the pilot project and shall collaboratively design the~~
30 ~~contract. Within the framework of the pilot project, the contract~~
31 ~~shall seek to maximize federal funds. The pilot project in each county~~
32 ~~shall include the creation of advisory and management teams which~~
33 ~~include members from neighborhood based family advisory committees,~~
34 ~~residents, parents, youth, providers, and local and regional department~~
35 ~~staff. The Whatcom county team shall facilitate the development of~~
36 ~~outcome based protocols and policies for the pilot project and develop~~
37 ~~a structure to oversee, monitor, and evaluate the results of the pilot~~

1 ~~projects. The department shall report the costs and savings of the~~
2 ~~pilot project to the appropriate committees of the legislature by~~
3 ~~November 1 of each year.~~

4 ~~(18))~~ \$157,000 of the general fund--state appropriation for fiscal
5 year 2010 and ~~((148,000))~~ \$78,000 of the general fund--state
6 appropriation for fiscal year 2011 are provided solely for the
7 department to contract with a nonprofit entity for a reunification
8 pilot project in Whatcom and Skagit counties. The contract for the
9 reunification pilot project shall include a rate of \$46.16 per hour for
10 evidence-based interventions, in combination with supervised visits, to
11 provide 3,564 hours of services to reduce the length of stay for
12 children in the child welfare system. The contract shall also include
13 evidence-based intensive parenting skills building services and family
14 support case management services for 38 families participating in the
15 reunification pilot project. The contract shall include the
16 flexibility for the nonprofit entity to subcontract with trained
17 providers.

18 ~~((19))~~ (18) \$303,000 of the general fund--state appropriation for
19 fiscal year 2010, \$392,000 of the general fund--state appropriation for
20 fiscal year 2011, and \$241,000 of the general fund--federal
21 appropriation are provided solely to implement Engrossed Substitute
22 House Bill No. 1961 (increasing adoptions act). If the bill is not
23 enacted by June 30, 2009, the amounts provided in this subsection shall
24 lapse.

25 ~~((20))~~ (19) \$98,000 of the general fund--state appropriation for
26 fiscal year 2010 and ~~((92,000))~~ \$49,000 of the general fund--state
27 appropriation for fiscal year 2011 are provided solely for the
28 department to contract with an agency that is working in partnership
29 with, and has been evaluated by, the University of Washington school of
30 social work to implement promising practice constellation hub models of
31 foster care support.

32 ~~((21))~~ (20) The legislature intends for the department to reduce
33 the time a child remains in the child welfare system. The department
34 shall establish a measurable goal and report progress toward meeting
35 that goal to the legislature by January 15 of each fiscal year of the
36 2009- 11 fiscal biennium. To the extent that actual caseloads exceed
37 those assumed in this section, it is the intent of the legislature to

1 address those issues in a manner similar to all other caseload
2 programs.

3 ~~((+22+))~~ (21) \$715,000 of the general fund--state appropriation for
4 fiscal year 2010 and ~~((+\$671,000))~~ \$357,000 of the general fund--state
5 appropriation for fiscal year 2011 are provided solely for services
6 provided through children's advocacy centers.

7 ~~((+23+))~~ (22) \$10,000 of the general fund--state appropriation for
8 fiscal year 2011 and \$3,000 of the general fund--federal appropriation
9 are provided solely for implementation of chapter 224, Laws of 2010
10 (confinement alternatives). If the bill is not enacted by June 30,
11 2010, the amounts provided in this subsection shall lapse.

12 ~~((+24+))~~ (23) \$1,867,000 of the general fund--state appropriation
13 for fiscal year 2010, \$1,677,000 of the general fund--state
14 appropriation for fiscal year 2011, and \$4,379,000 of the general
15 fund--federal appropriation are provided solely for the department to
16 contract for medicaid treatment child care (MTCC) services. Children's
17 administration case workers, local public health nurses and case
18 workers from the temporary assistance for needy families program shall
19 refer children to MTCC services, as long as the children meet the
20 eligibility requirements as outlined in the Washington state plan for
21 the MTCC services.

22 ~~((+25) The department shall contract for at least one pilot project
23 with adolescent services providers to deliver a continuum of short term
24 crisis - stabilization - services. The - pilot - project - shall - include
25 adolescent services provided through secure crisis residential centers,
26 crisis residential centers, and hope beds. The department shall work
27 with - adolescent - service - providers - to - maintain - availability - of
28 adolescent - services - and - maintain - the - delivery - of - services - in - a
29 geographically - representative - manner. The department shall examine
30 current - staffing - requirements, - flexible - payment - options, - center -
31 specific - licensing - waivers, and other appropriate methods to achieve
32 savings - and - streamline - the - delivery - of - services. The legislature
33 intends for the pilot project to provide flexibility to the department
34 to - improve - outcomes - and - to - achieve - more - efficient - utilization - of
35 existing resources, while meeting the statutory goals of the adolescent
36 services - programs. The department shall provide an update to the
37 appropriate legislative committees and governor on the status of the
38 pilot project implementation by December 1, 2010.~~

1 (1) \$353,000 of the general fund--state appropriation for fiscal
2 year 2010 and (~~(\$353,000)~~) \$331,000 of the general fund--state
3 appropriation for fiscal year 2011 are provided solely for deposit in
4 the county criminal justice assistance account for costs to the
5 criminal justice system associated with the implementation of chapter
6 338, Laws of 1997 (juvenile code revisions). The amounts provided in
7 this subsection are intended to provide funding for county adult court
8 costs associated with the implementation of chapter 338, Laws of 1997
9 and shall be distributed in accordance with RCW 82.14.310.

10 (2) \$3,408,000 of the general fund--state appropriation for fiscal
11 year 2010 and (~~(\$2,898,000)~~) \$2,716,000 of the general fund--state
12 appropriation for fiscal year 2011 are provided solely for the
13 implementation of chapter 338, Laws of 1997 (juvenile code revisions).
14 The amounts provided in this subsection are intended to provide funding
15 for county impacts associated with the implementation of chapter 338,
16 Laws of 1997 and shall be distributed to counties as prescribed in the
17 current consolidated juvenile services (CJS) formula.

18 (3) \$3,716,000 of the general fund--state appropriation for fiscal
19 year 2010 and (~~(\$3,716,000)~~) \$3,482,000 of the general fund--state
20 appropriation for fiscal year 2011 are provided solely to implement
21 community juvenile accountability grants pursuant to chapter 338, Laws
22 of 1997 (juvenile code revisions). Funds provided in this subsection
23 may be used solely for community juvenile accountability grants,
24 administration of the grants, and evaluations of programs funded by the
25 grants.

26 (4) \$1,427,000 of the general fund--state appropriation for fiscal
27 year 2010 and (~~(\$1,206,000)~~) \$1,130,000 of the general fund--state
28 appropriation for fiscal year 2011 are provided solely to implement
29 alcohol and substance abuse treatment programs for locally committed
30 offenders. The juvenile rehabilitation administration shall award
31 these moneys on a competitive basis to counties that submitted a plan
32 for the provision of services approved by the division of alcohol and
33 substance abuse. The juvenile rehabilitation administration shall
34 develop criteria for evaluation of plans submitted and a timeline for
35 awarding funding and shall assist counties in creating and submitting
36 plans for evaluation.

37 (5) \$3,066,000 of the general fund--state appropriation for fiscal
38 year 2010 and (~~(\$3,066,000)~~) \$2,873,000 of the general fund--state

1 appropriation for fiscal year 2011 are provided solely for grants to
2 county juvenile courts for the following programs identified by the
3 Washington state institute for public policy (institute) in its October
4 2006 report: "Evidence-Based Public Policy Options to Reduce Future
5 Prison Construction, Criminal Justice Costs and Crime Rates":
6 Functional family therapy, multi-systemic therapy, aggression
7 replacement training and interagency coordination programs, or other
8 programs with a positive benefit-cost finding in the institute's
9 report. County juvenile courts shall apply to the juvenile
10 rehabilitation administration for funding for program-specific
11 participation and the administration shall provide grants to the courts
12 consistent with the per-participant treatment costs identified by the
13 institute.

14 (6) \$1,287,000 of the general fund--state appropriation for fiscal
15 year 2010 and \$1,287,000 of the general fund--state appropriation for
16 fiscal year 2011 are provided solely for expansion of the following
17 treatments and therapies in juvenile rehabilitation administration
18 programs identified by the Washington state institute for public policy
19 in its October 2006 report: "Evidence-Based Public Policy Options to
20 Reduce Future Prison Construction, Criminal Justice Costs and Crime
21 Rates": Multidimensional treatment foster care, family integrated
22 transitions, and aggression replacement training. The administration
23 may concentrate delivery of these treatments and therapies at a limited
24 number of programs to deliver the treatments in a cost-effective
25 manner.

26 (7)(a) For the fiscal year ending June 30, 2011, the juvenile
27 rehabilitation administration shall administer a block grant, rather
28 than categorical funding, of consolidated juvenile service funds,
29 community juvenile accountability act grants, the chemical dependency
30 disposition alternative funds, the mental health disposition
31 alternative, and the sentencing disposition alternative for the purpose
32 of serving youth adjudicated in the juvenile justice system. In making
33 the block grant, the juvenile rehabilitation administration shall
34 follow the following formula and will prioritize evidence-based
35 programs and disposition alternatives and take into account juvenile
36 courts program-eligible youth in conjunction with the number of youth
37 served in each approved evidence-based program or disposition
38 alternative: (i) Thirty-seven and one-half percent for the at-risk

1 population of youth ten to seventeen years old; (ii) fifteen percent
2 for moderate and high-risk youth; (iii) twenty-five percent for
3 evidence-based program participation; (iv) seventeen and one-half
4 percent for minority populations; (v) three percent for the chemical
5 dependency disposition alternative; and (vi) two percent for the mental
6 health and sentencing dispositional alternatives. Funding for the
7 special sex offender disposition alternative (SSODA) shall not be
8 included in the block grant, but allocated on the average daily
9 population in juvenile courts. Funding for the evidence-based
10 expansion grants shall be excluded from the block grant formula. Funds
11 may be used for promising practices when approved by the juvenile
12 rehabilitation administration and juvenile courts, through the
13 community juvenile accountability act committee, based on the criteria
14 established in consultation with Washington state institute for public
15 policy and the juvenile courts.

16 (b) It is the intent of the legislature that the juvenile
17 rehabilitation administration phase the implementation of the formula
18 provided in subsection (1) of this section by including a stop-loss
19 formula of three percent in fiscal year 2011, five percent in fiscal
20 year 2012, and five percent in fiscal year 2013. It is further the
21 intent of the legislature that the evidence-based expansion grants be
22 incorporated into the block grant formula by fiscal year 2013 and SSODA
23 remain separate unless changes would result in increasing the cost
24 benefit savings to the state as identified in (c) of this subsection.

25 (c) The juvenile rehabilitation administration and the juvenile
26 courts shall establish a block grant funding formula oversight
27 committee with equal representation from the juvenile rehabilitation
28 administration and the juvenile courts. The purpose of this committee
29 is to assess the ongoing implementation of the block grant funding
30 formula, utilizing data-driven decision making and the most current
31 available information. The committee will be cochaired by the juvenile
32 rehabilitation administration and the juvenile courts, who will also
33 have the ability to change members of the committee as needed to
34 achieve its purpose. Initial members will include one juvenile court
35 representative from the finance committee, the community juvenile
36 accountability act committee, the risk assessment quality assurance
37 committee, the executive board of the Washington association of
38 juvenile court administrators, the Washington state center for court

1 research, and a representative of the superior court judges
2 association; two representatives from the juvenile rehabilitation
3 administration headquarters program oversight staff, two
4 representatives of the juvenile rehabilitation administration regional
5 office staff, one representative of the juvenile rehabilitation
6 administration fiscal staff and a juvenile rehabilitation
7 administration division director. The committee may make changes to
8 the formula categories other than the evidence-based program and
9 disposition alternative categories if it is determined the changes will
10 increase statewide service delivery or effectiveness of evidence-based
11 program or disposition alternative resulting in increased cost benefit
12 savings to the state. Long-term cost benefit must be considered.
13 Percentage changes may occur in the evidence-based program or
14 disposition alternative categories of the formula should it be
15 determined the changes will increase evidence-based program or
16 disposition alternative delivery and increase the cost benefit to the
17 state. These outcomes will also be considered in determining when
18 evidence-based expansion or special sex offender disposition
19 alternative funds should be included in the block grant or left
20 separate.

21 (d) The juvenile courts and administrative office of the courts
22 shall be responsible for collecting and distributing information and
23 providing access to the data systems to the juvenile rehabilitation
24 administration and the Washington state institute for public policy
25 related to program and outcome data. The juvenile rehabilitation
26 administration and the juvenile courts will work collaboratively to
27 develop program outcomes that reinforce the greatest cost benefit to
28 the state in the implementation of evidence-based practices and
29 disposition alternatives.

30 (e) By December 1, 2010, the Washington state institute for public
31 policy shall report to the office of financial management and
32 appropriate committees of the legislature on the administration of the
33 block grant authorized in this subsection. The report shall include
34 the criteria used for allocating the funding as a block grant and the
35 participation targets and actual participation in the programs subject
36 to the block grant.

37 (8) \$3,700,000 of the Washington auto theft prevention authority
38 account--state appropriation is provided solely for competitive grants

1 to community-based organizations to provide at-risk youth intervention
2 services, including but not limited to, case management, employment
3 services, educational services, and street outreach intervention
4 programs. Projects funded should focus on preventing, intervening, and
5 suppressing behavioral problems and violence while linking at-risk
6 youth to pro-social activities. The department may not expend more
7 than \$1,850,000 per fiscal year. The costs of administration must not
8 exceed four percent of appropriated funding for each grant recipient.
9 Each entity receiving funds must report to the juvenile rehabilitation
10 administration on the number and types of youth served, the services
11 provided, and the impact of those services upon the youth and the
12 community.

13 (9) The appropriations in this section assume savings associated
14 with the transfer of youthful offenders age eighteen or older whose
15 sentences extend beyond age twenty-one to the department of corrections
16 to complete their sentences. Prior to transferring an offender to the
17 department of corrections, the juvenile rehabilitation administration
18 shall evaluate the offender to determine the offender's physical and
19 emotional suitability for transfer.

20 (10) The department shall cease planning for closure and shall not
21 close the maple lane facility during the current biennium.

22 **Sec. 203.** 2010 2nd sp.s. c 1 s 203 (uncodified) is amended to read
23 as follows:

24 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH**
25 **PROGRAM**

26 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

| | | |
|----|-------------------------------------------------------|----------------------------------|
| 27 | General Fund--State Appropriation (FY 2010) | \$273,648,000 |
| 28 | General Fund--State Appropriation (FY 2011) | ((\$278,530,000)) |
| 29 | | <u>\$258,834,000</u> |
| 30 | General Fund--Federal Appropriation | ((\$519,456,000)) |
| 31 | | <u>\$519,217,000</u> |
| 32 | General Fund--Private/Local Appropriation | \$16,674,000 |
| 33 | Hospital Safety Net Assessment Fund--State | |
| 34 | Appropriation | \$3,476,000 |
| 35 | TOTAL APPROPRIATION | ((\$1,091,784,000)) |
| 36 | | <u>\$1,071,849,000</u> |

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

3 (a) \$113,689,000 of the general fund--state appropriation for
4 fiscal year 2010 and (~~(\$113,689,000)~~) \$96,023,000 of the general fund--
5 state appropriation for fiscal year 2011 are provided solely for
6 persons and services not covered by the medicaid program. This is a
7 reduction of \$11,606,000 each fiscal year from the nonmedicaid funding
8 that was allocated for expenditure by regional support networks during
9 fiscal year 2009 prior to supplemental budget reductions. This
10 \$11,606,000 reduction shall be distributed among regional support
11 networks proportional to each network's share of the total state
12 population. To the extent possible, levels of regional support network
13 spending shall be maintained in the following priority order: (i)
14 Crisis and commitment services; (ii) community inpatient services; and
15 (iii) residential care services, including personal care and emergency
16 housing assistance.

17 (b) \$10,400,000 of the general fund--state appropriation for fiscal
18 year 2010, (~~(\$9,100,000)~~) \$8,528,000 of the general fund--state
19 appropriation for fiscal year 2011, and \$1,300,000 of the general
20 fund--federal appropriation are provided solely for the department and
21 regional support networks to contract for implementation of high-
22 intensity program for active community treatment (PACT) teams. The
23 department shall work with regional support networks and the center for
24 medicare and medicaid services to integrate eligible components of the
25 PACT service delivery model into medicaid capitation rates no later
26 than January 2011, while maintaining consistency with all essential
27 elements of the PACT evidence-based practice model.

28 (c) \$6,500,000 of the general fund--state appropriation for fiscal
29 year 2010 and (~~(\$6,500,000)~~) \$6,091,000 of the general fund--state
30 appropriation for fiscal year 2011 are provided solely for the western
31 Washington regional support networks to provide either community- or
32 hospital campus-based services for persons who require the level of
33 care provided by the program for adaptive living skills (PALS) at
34 western state hospital.

35 (d) The number of nonforensic beds allocated for use by regional
36 support networks at eastern state hospital shall be 192 per day. The
37 number of nonforensic beds allocated for use by regional support
38 networks at western state hospital shall be 617 per day during the

1 first quarter of fiscal year 2010, (~~and~~) 587 per day through the
2 second quarter of fiscal year 2011, and 557 per day thereafter. Beds
3 in the program for adaptive living skills (PALS) are not included in
4 the preceding bed allocations. The department shall separately charge
5 regional support networks for persons served in the PALS program.

6 (e) From the general fund--state appropriations in this subsection,
7 the secretary of social and health services shall assure that regional
8 support networks reimburse the aging and disability services
9 administration for the general fund--state cost of medicaid personal
10 care services that enrolled regional support network consumers use
11 because of their psychiatric disability.

12 (f) \$4,582,000 of the general fund--state appropriation for fiscal
13 year 2010 and \$4,582,000 of the general fund--state appropriation for
14 fiscal year 2011 are provided solely for mental health services for
15 mentally ill offenders while confined in a county or city jail and for
16 facilitating access to programs that offer mental health services upon
17 release from confinement.

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

21 (h) \$750,000 of the general fund--state appropriation for fiscal
22 year 2010 and (~~(\$750,000)~~) \$703,000 of the general fund--state
23 appropriation for fiscal year 2011 are provided solely to continue
24 performance-based incentive contracts to provide appropriate community
25 support services for individuals with severe mental illness who were
26 discharged from the state hospitals as part of the expanding community
27 services initiative. These funds will be used to enhance community
28 residential and support services provided by regional support networks
29 through other state and federal funding.

30 (i) \$1,500,000 of the general fund--state appropriation for fiscal
31 year 2010 and (~~(\$1,500,000)~~) \$1,125,000 of the general fund--state
32 appropriation for fiscal year 2011 are provided solely for the Spokane
33 regional support network to implement services to reduce utilization
34 and the census at eastern state hospital. Such services shall include:

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

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

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

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

8 At least annually, the Spokane regional support network shall
9 assess the effectiveness of these services in reducing utilization at
10 eastern state hospital, identify services that are not optimally
11 effective, and modify those services to improve their effectiveness.

12 (j) The department shall return to the Spokane regional support
13 network fifty percent of the amounts assessed against the network
14 during the last six months of calendar year 2009 for state hospital
15 utilization in excess of its contractual limit. The regional support
16 network shall use these funds for operation during its initial months
17 of a new sixteen-bed evaluation and treatment facility that will enable
18 the network to reduce its use of the state hospital, and for diversion
19 and community support services for persons with dementia who would
20 likely otherwise require care at the state hospital.

21 (k) The department is directed to identify and implement program
22 efficiencies and benefit changes in its delivery of medicaid managed-
23 care services that are sufficient to operate within the state and
24 federal appropriations in this section. Such actions may include but
25 are not limited to methods such as adjusting the care access standards;
26 improved utilization management of ongoing, recurring, and high-
27 intensity services; and increased uniformity in provider payment rates.
28 The department shall ensure that the capitation rate adjustments
29 necessary to accomplish these efficiencies and changes are distributed
30 uniformly and equitably across all regional support networks statewide.
31 The department is directed to report to the relevant legislative fiscal
32 and policy committees at least thirty days prior to implementing rate
33 adjustments reflecting these changes.

34 (l) In developing the new medicaid managed care rates under which
35 the public mental health managed care system will operate during the
36 five years beginning in fiscal year 2011, the department should seek to
37 estimate the reasonable and necessary cost of efficiently and
38 effectively providing a comparable set of medically necessary mental

1 health benefits to persons of different acuity levels regardless of
2 where in the state they live. Actual prior period spending in a
3 regional administrative area shall not be a key determinant of future
4 payment rates. The department shall report to the office of financial
5 management and to the relevant fiscal and policy committees of the
6 legislature on its proposed new waiver and mental health managed care
7 rate-setting approach by October 1, 2009, and again at least sixty days
8 prior to implementation of new capitation rates.

9 (m) In implementing the new public mental health managed care
10 payment rates for fiscal year 2011, the department shall to the maximum
11 extent possible within each regional support network's allowable rate
12 range establish rates so that there is no increase or decrease in the
13 total state and federal funding that the regional support network would
14 receive if it were to continue to be paid at its October 2009 through
15 June 2010 rates. The department shall additionally revise the draft
16 rates issued January 28, 2010, to more accurately reflect the lower
17 practitioner productivity inherent in the delivery of services in
18 extremely rural regions in which a majority of the population reside in
19 frontier counties, as defined and designated by the national center for
20 frontier communities.

21 (n) \$1,529,000 of the general fund--state appropriation for fiscal
22 year 2010 and \$1,529,000 of the general fund--state appropriation for
23 fiscal year 2011 are provided solely to reimburse Pierce and Spokane
24 counties for the cost of conducting 180-day commitment hearings at the
25 state psychiatric hospitals.

26 (o) The legislature intends and expects that regional support
27 networks and contracted community mental health agencies shall make all
28 possible efforts to, at a minimum, maintain current compensation levels
29 of direct care staff. Such efforts shall include, but not be limited
30 to, identifying local funding that can preserve client services and
31 staff compensation, achieving administrative reductions at the regional
32 support network level, and engaging stakeholders on cost-savings ideas
33 that maintain client services and staff compensation. For purposes of
34 this section, "direct care staff" means persons employed by community
35 mental health agencies whose primary responsibility is providing direct
36 treatment and support to people with mental illness, or whose primary
37 responsibility is providing direct support to such staff in areas such

1 as client scheduling, client intake, client reception, client records-
2 keeping, and facilities maintenance.

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

15 (2) INSTITUTIONAL SERVICES

| | | |
|----|-------------------------------------------------------|----------------------------|
| 16 | General Fund--State Appropriation (FY 2010) | \$119,423,000 |
| 17 | General Fund--State Appropriation (FY 2011) | (\$118,010,000) |
| 18 | | <u>\$112,514,000</u> |
| 19 | General Fund--Federal Appropriation | (\$153,425,000) |
| 20 | | <u>\$152,195,000</u> |
| 21 | General Fund--Private/Local Appropriation | (\$64,614,000) |
| 22 | | <u>\$63,873,000</u> |
| 23 | TOTAL APPROPRIATION | (\$455,472,000) |
| 24 | | <u>\$448,005,000</u> |

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

27 (a) The state psychiatric hospitals may use funds appropriated in
28 this subsection to purchase goods and supplies through hospital group
29 purchasing organizations when it is cost-effective to do so.

30 (b) \$231,000 of the general fund--state appropriation for fiscal
31 year ~~((2008))~~ 2010 and ~~(\$231,000)~~ \$216,000 of the general fund--state
32 appropriation for fiscal year ~~((2009))~~ 2011 are provided solely for a
33 community partnership between western state hospital and the city of
34 Lakewood to support community policing efforts in the Lakewood
35 community surrounding western state hospital. The amounts provided in
36 this subsection (2)(b) are for the salaries, benefits, supplies, and
37 equipment for one full-time investigator, one full-time police officer,
38 and one full-time community service officer at the city of Lakewood.

1 (c) \$45,000 of the general fund--state appropriation for fiscal
2 year 2010 and (~~(\$45,000)~~) \$42,000 of the general fund--state
3 appropriation for fiscal year 2011 are provided solely for payment to
4 the city of Lakewood for police services provided by the city at
5 western state hospital and adjacent areas.

6 (d) (~~(\$200,000)~~) \$187,000 of the general fund--state appropriation
7 for fiscal year 2011 is provided solely for support of the psychiatric
8 security review panel established pursuant to Senate Bill No. 6610. If
9 Senate Bill No. 6610 is not enacted by June 30, 2010, the amount
10 provided in this subsection shall lapse.

11 (3) SPECIAL PROJECTS

| | | |
|----|-------------------------------------------------------|------------------------------|
| 12 | General Fund--State Appropriation (FY 2010) | \$1,819,000 |
| 13 | General Fund--State Appropriation (FY 2011) | ((\$2,092,000)) |
| 14 | | <u>\$1,961,000</u> |
| 15 | General Fund--Federal Appropriation | \$2,142,000 |
| 16 | TOTAL APPROPRIATION | ((\$6,053,000)) |
| 17 | | <u>\$5,922,000</u> |

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

20 (a) \$1,511,000 of the general fund--state appropriation for fiscal
21 year 2010 and (~~(\$1,511,000)~~) \$1,416,000 of the general fund--state
22 appropriation for fiscal year 2011 are provided solely for children's
23 evidence based mental health services. Funding is sufficient to
24 continue serving children at the same levels as fiscal year 2009.

25 (b) (~~(\$100,000)~~) \$94,000 of the general fund--state appropriation
26 for fiscal year 2011 is provided solely for consultation, training, and
27 technical assistance to regional support networks on strategies for
28 effective service delivery in very sparsely populated counties.

29 (c) (~~(\$60,000)~~) \$56,000 of the general fund--state appropriation
30 for fiscal year 2011 is provided solely for the department to contract
31 with the Washington state institute for public policy for completion of
32 the research reviews to be conducted in accordance with chapter 263,
33 Laws of 2010.

34 (d) (~~(\$60,000)~~) \$56,000 of the general fund--state appropriation
35 for fiscal year 2011 is provided solely for the department to contract
36 with the Washington state institute for public policy for completion of
37 the research reviews to be conducted in accordance with section 1,
38 chapter 280, Laws of 2010.

1 (e) (~~(\$60,000)~~) \$56,000 of the general fund--state appropriation
 2 for fiscal year 2011 is provided solely for implementation of sections
 3 2 and 3, chapter 280, Laws of 2010. The department shall use these
 4 funds to contract with the Washington state institute for public policy
 5 for completion of an assessment of (i) the extent to which the number
 6 of persons involuntarily committed for 3, 14, and 90 days is likely to
 7 increase as a result of the revised commitment standards; (ii) the
 8 availability of community treatment capacity to accommodate that
 9 increase; (iii) strategies for cost-effectively leveraging state,
 10 local, and private resources to increase community involuntary
 11 treatment capacity; and (iv) the extent to which increases in
 12 involuntary commitments are likely to be offset by reduced utilization
 13 of correctional facilities, publicly-funded medical care, and state
 14 psychiatric hospitalizations.

15 (4) PROGRAM SUPPORT

| | | |
|----|-------------------------------------------------------|-------------------------------|
| 16 | General Fund--State Appropriation (FY 2010) | \$4,078,000 |
| 17 | General Fund--State Appropriation (FY 2011) | ((\$3,958,000)) |
| 18 | | <u>\$3,486,000</u> |
| 19 | General Fund--Federal Appropriation | \$7,207,000 |
| 20 | TOTAL APPROPRIATION | ((\$15,243,000)) |
| 21 | | <u>\$14,771,000</u> |

22 The department is authorized and encouraged to continue its
 23 contract with the Washington state institute for public policy to
 24 provide a longitudinal analysis of long-term mental health outcomes as
 25 directed in chapter 334, Laws of 2001 (mental health performance
 26 audit); to build upon the evaluation of the impacts of chapter 214,
 27 Laws of 1999 (mentally ill offenders); and to assess program outcomes
 28 and cost effectiveness of the children's mental health pilot projects
 29 as required by chapter 372, Laws of 2006.

30 **Sec. 204.** 2010 2nd sp.s. c 1 s 204 (uncodified) is amended to read
 31 as follows:

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

34 (1) COMMUNITY SERVICES

| | | |
|----|-------------------------------------------------------|--------------------------------|
| 35 | General Fund--State Appropriation (FY 2010) | \$307,348,000 |
| 36 | General Fund--State Appropriation (FY 2011) | ((\$337,658,000)) |
| 37 | | <u>\$320,860,000</u> |

| | | |
|---|-----------------------------------------------|----------------------------------|
| 1 | General Fund--Federal Appropriation | ((\$902,043,000)) |
| 2 | | <u>\$889,209,000</u> |
| 3 | TOTAL APPROPRIATION | ((\$1,547,049,000)) |
| 4 | | <u>\$1,517,417,000</u> |

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

7 (a) Individuals receiving services as supplemental security income
8 (SSI) state supplemental payments shall not become eligible for medical
9 assistance under RCW 74.09.510 due solely to the receipt of SSI state
10 supplemental payments.

11 (b)(i) Amounts appropriated in this section reflect a reduction to
12 funds appropriated for in-home care. The department shall reduce the
13 number of in-home hours authorized. The reduction shall be scaled
14 based on the acuity level of care recipients. The largest hour
15 reductions shall be to lower acuity patients and the smallest hour
16 reductions shall be to higher acuity patients. In doing so, the
17 department shall comply with all maintenance of effort requirements
18 contained in the American reinvestment and recovery act.

19 (ii) \$508,000 of the general fund--state appropriation for fiscal
20 year 2011 and \$822,000 of the general fund--federal appropriation are
21 provided solely for the department to partially restore the reductions
22 to in-home care that are taken in (b)(i) of this subsection. The
23 department will use the same formula to restore personal care hours
24 that it used to reduce personal care hours.

25 (c) Amounts appropriated in this section are sufficient to develop
26 and implement the use of a consistent, statewide outcome-based vendor
27 contract for employment and day services by April 1, 2011. The rates
28 paid to vendors under this contract shall also be made consistent. In
29 its description of activities the agency shall include activity
30 listings and dollars appropriated for: Employment services, day
31 services, child development services and county administration of
32 services to the developmentally disabled. The department shall begin
33 reporting to the office of financial management on these activities
34 beginning in fiscal year 2010.

35 (d) \$302,000 of the general fund--state appropriation for fiscal
36 year 2010, \$831,000 of the general fund--state appropriation for fiscal
37 year 2011, and \$1,592,000 of the general fund--federal appropriation
38 are provided solely for health care benefits pursuant to a collective

1 bargaining agreement negotiated with the exclusive bargaining
2 representative of individual providers established under RCW
3 74.39A.270.

4 (e)(i) \$682,000 of the general fund--state appropriation for fiscal
5 year 2010, \$1,651,000 of the general fund--state appropriation for
6 fiscal year 2011, and \$1,678,000 of the general fund--federal
7 appropriation are provided solely for the state's contribution to the
8 training partnership, as provided in RCW 74.39A.360, pursuant to a
9 collective bargaining agreement negotiated with the exclusive
10 bargaining representative of individual providers established under RCW
11 74.39A.270.

12 (ii) The federal portion of the amounts in this subsection (g) is
13 contingent upon federal approval of participation in contributions to
14 the trust and shall remain unallotted and placed in reserve status
15 until the office of financial management and the department of social
16 and health services receive federal approval.

17 (iii) Expenditures for the purposes specified in this subsection
18 (g) shall not exceed the amounts provided in this subsection.

19 (f) Within the amounts appropriated in this subsection (1), the
20 department shall implement all necessary rules to facilitate the
21 transfer to a department home and community-based services (HCBS)
22 waiver of all eligible individuals who (i) currently receive services
23 under the existing state-only employment and day program or the
24 existing state-only residential program, and (ii) otherwise meet the
25 waiver eligibility requirements. The amounts appropriated are
26 sufficient to ensure that all individuals currently receiving services
27 under the state-only employment and day and state-only residential
28 programs who are not transferred to a department HCBS waiver will
29 continue to receive services.

30 (g) In addition to other reductions, the appropriations in this
31 subsection reflect reductions targeted specifically to state government
32 administrative costs. These administrative reductions shall be
33 achieved, to the greatest extent possible, by reducing those
34 administrative costs that do not affect direct client services or
35 direct service delivery or programs.

36 (h) The department shall not pay a home care agency licensed under
37 chapter 70.127 RCW for personal care services provided by a family

1 member, pursuant to Substitute House Bill No. 2361 (modifying state
2 payments for in-home care).

3 (i) Within the appropriations of this section, the department shall
4 reduce all seventeen payment levels of the seventeen-level payment
5 system from the fiscal year 2009 levels for boarding homes, boarding
6 homes contracted as assisted living, and adult family homes. Excluded
7 from the reductions are exceptional care rate add-ons. The long-term
8 care program may develop add-ons to pay exceptional care rates to adult
9 family homes and boarding homes with specialty contracts to provide
10 support for the following specifically eligible clients:

11 (i) Persons with AIDS or HIV-related diseases who might otherwise
12 require nursing home or hospital care;

13 (ii) Persons with Alzheimer's disease and related dementia who
14 might otherwise require nursing home care; and

15 (iii) Persons with co-occurring mental illness and long-term care
16 needs who are eligible for expanded community services and who might
17 otherwise require state and local psychiatric hospital care.

18 Within amounts appropriated, exceptional add-on rates for AIDS/HIV,
19 dementia specialty care, and expanded community services may be
20 standardized within each program.

21 (j) The amounts appropriated in this subsection reflect a reduction
22 in funds available for employment and day services. In administering
23 this reduction the department shall negotiate with counties and their
24 vendors so that this reduction, to the greatest extent possible, is
25 achieved by reducing vendor rates and allowable contract administrative
26 charges (overhead) and not through reductions to direct client services
27 or direct service delivery or programs.

28 (k) As part of the needs assessment instrument, the department may
29 collect data on family income for minor children with developmental
30 disabilities and all individuals who are receiving state-only funded
31 services. The department may ensure that this information is collected
32 as part of the client assessment process.

33 (l) \$116,000 of the general fund--state appropriation for fiscal
34 year 2010, (~~(\$2,689,000)~~) \$2,133,000 of the general fund--state
35 appropriation for fiscal year 2011, and \$1,772,000 of the general
36 fund--federal appropriation are provided solely for employment services
37 and required waiver services. Priority consideration for this new
38 funding shall be young adults with developmental disabilities living

1 with their family who need employment opportunities and assistance
2 after high school graduation. Services shall be provided for both
3 waiver and nonwaiver clients. (~~Fifty percent of the general fund~~
4 ~~appropriation shall be utilized for graduates served on a home and~~
5 ~~community based services waiver and fifty percent of the general fund~~
6 ~~appropriation shall be used for nonwaiver clients.~~)

7 (m) \$81,000 of the general fund--state appropriation for fiscal
8 year 2010, \$599,000 of the general fund--state appropriation for fiscal
9 year 2011, and \$1,111,000 of the general fund--federal appropriation
10 are provided solely for the department to provide employment and day
11 services for eligible students who are currently on a waiver and will
12 graduate from high school during fiscal years 2010 and 2011.

13 (n) The automatic award of additional hours of personal care for
14 people with special meal preparation or incontinence needs is
15 eliminated. Authorization of service hours will be based upon the
16 individual's assessed needs.

17 (2) INSTITUTIONAL SERVICES

| | | |
|----|-------------------------------------------------------|----------------------------|
| 18 | General Fund--State Appropriation (FY 2010) | \$61,422,000 |
| 19 | General Fund--State Appropriation (FY 2011) | (\$64,404,000) |
| 20 | | <u>\$62,522,000</u> |
| 21 | General Fund--Federal Appropriation | (\$207,986,000) |
| 22 | | <u>\$204,766,000</u> |
| 23 | General Fund--Private/Local Appropriation | \$22,441,000 |
| 24 | TOTAL APPROPRIATION | (\$356,253,000) |
| 25 | | <u>\$351,151,000</u> |

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

28 (a) Individuals receiving services as supplemental security income
29 (SSI) state supplemental payments shall not become eligible for medical
30 assistance under RCW 74.09.510 due solely to the receipt of SSI state
31 supplemental payments.

32 (b) The developmental disabilities program is authorized to use
33 funds appropriated in this subsection to purchase goods and supplies
34 through direct contracting with vendors when the program determines it
35 is cost-effective to do so.

36 (c) \$721,000 of the general fund--state appropriation for fiscal
37 year 2010 and \$721,000 of the general fund--state appropriation for
38 fiscal year 2011 are provided solely for the department to fulfill its

1 contracts with the school districts under chapter 28A.190 RCW to
2 provide transportation, building space, and other support services as
3 are reasonably necessary to support the educational programs of
4 students living in residential habilitation centers.

5 (d) In addition to other reductions, the appropriations in this
6 subsection reflect reductions targeted specifically to state government
7 administrative costs. These administrative reductions shall be
8 achieved, to the greatest extent possible, by reducing those
9 administrative costs that do not affect direct client services or
10 direct service delivery or programs.

11 (e) The department shall cease planning for closure and shall not
12 initiate the closure of Frances Haddon Morgan center in fiscal year
13 2011.

14 (3) PROGRAM SUPPORT

| | | |
|----|-------------------------------------------------------|--------------------------|
| 15 | General Fund--State Appropriation (FY 2010) | \$1,407,000 |
| 16 | General Fund--State Appropriation (FY 2011) | (\$1,369,000) |
| 17 | | <u>\$1,341,000</u> |
| 18 | General Fund--Federal Appropriation | (\$1,301,000) |
| 19 | | <u>\$1,263,000</u> |
| 20 | TOTAL APPROPRIATION | (\$4,077,000) |
| 21 | | <u>\$4,011,000</u> |

22 The appropriations in this subsection are subject to the following
23 conditions and limitations: In addition to other reductions, the
24 appropriations in this subsection reflect reductions targeted
25 specifically to state government administrative costs. These
26 administrative reductions shall be achieved, to the greatest extent
27 possible, by reducing those administrative costs that do not affect
28 direct client services or direct service delivery or programs.

29 (4) SPECIAL PROJECTS

| | | |
|----|-----------------------------------------------|--------------------------|
| 30 | General Fund--Federal Appropriation | (\$9,631,000) |
| 31 | | <u>\$10,171,000</u> |

32 The appropriations in this subsection are subject to the following
33 conditions and limitations: The appropriations in this subsection are
34 available solely for the infant toddler early intervention program and
35 the money follows the person program as defined by this federal grant.

1 (3) In accordance with chapter 74.46 RCW, the department shall
2 issue no additional certificates of capital authorization for fiscal
3 year 2010 and no new certificates of capital authorization for fiscal
4 year 2011 and shall grant no rate add-ons to payment rates for capital
5 improvements not requiring a certificate of need and a certificate of
6 capital authorization for fiscal year 2011.

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

13 (5) Within the appropriations of this section, the department shall
14 reduce all seventeen payment levels of the seventeen-level payment
15 system from the fiscal year 2009 levels for boarding homes, boarding
16 homes contracted as assisted living, and adult family homes. Excluded
17 from the reductions are exceptional care rate add-ons. The long-term
18 care program may develop add-ons to pay exceptional care rates to adult
19 family homes and boarding homes with specialty contracts to provide
20 support for the following specifically eligible clients:

21 (a) Persons with AIDS or HIV-related diseases who might otherwise
22 require nursing home or hospital care;

23 (b) Persons with Alzheimer's disease and related dementia who might
24 otherwise require nursing home care; and

25 (c) Persons with co-occurring mental illness and long-term care
26 needs who are eligible for expanded community services and who might
27 otherwise require state and local psychiatric hospital care.

28 Within amounts appropriated, exceptional add-on rates for AIDS/HIV,
29 dementia specialty care, and expanded community services may be
30 standardized within each program.

31 (6)(a) Amounts appropriated in this section reflect a reduction to
32 funds appropriated for in-home care. The department shall reduce the
33 number of in-home hours authorized. The reduction shall be scaled
34 based on the acuity level of care recipients. The largest hour
35 reductions shall be to lower acuity patients and the smallest hour
36 reductions shall be to higher acuity patients. In doing so, the
37 department shall comply with all maintenance of effort requirements
38 contained in the American reinvestment and recovery act.

1 (b) \$3,070,000 of the general fund--state appropriation for fiscal
2 year 2011 and \$4,980,000 of the general fund--federal appropriation are
3 provided solely for the department to partially restore the reduction
4 to in-home care that are taken in (a) of this subsection. The
5 department will use the same formula to restore personal care hours
6 that it used to reduce personal care hours.

7 (7) \$536,000 of the general fund--state appropriation for fiscal
8 year 2010, \$1,477,000 of the general fund--state appropriation for
9 fiscal year 2011, and \$2,830,000 of the general fund--federal
10 appropriation are provided solely for health care benefits pursuant to
11 a collective bargaining agreement negotiated with the exclusive
12 bargaining representative of individual providers established under RCW
13 74.39A.270.

14 (8)(a) \$1,212,000 of the general fund--state appropriation for
15 fiscal year 2010, \$2,934,000 of the general fund--state appropriation
16 for fiscal year 2011, and \$2,982,000 of the general fund--federal
17 appropriation are provided solely for the state's contribution to the
18 training partnership, as provided in RCW 74.39A.360, pursuant to a
19 collective bargaining agreement negotiated with the exclusive
20 bargaining representative of individual providers established under RCW
21 74.39A.270.

22 (b) \$330,000 of the general fund--state appropriation for fiscal
23 year 2010, \$660,000 of the general fund--state appropriation for fiscal
24 year 2011, and \$810,000 of the general fund--federal appropriation are
25 provided solely for transfer from the department to the training
26 partnership, as provided in RCW 74.39A.360, for infrastructure and
27 instructional costs associated with training of individual providers,
28 pursuant to a collective bargaining agreement negotiated with the
29 exclusive bargaining representative of individual providers established
30 under RCW 74.39A.270.

31 (c) The federal portion of the amounts in this subsection is
32 contingent upon federal approval of participation in contributions to
33 the trust and shall remain unallotted and placed in reserve status
34 until the office of financial management and the department of social
35 and health services receive federal approval.

36 (d) Expenditures for the purposes specified in this subsection
37 shall not exceed the amounts provided in this subsection.

1 (9) Within the amounts appropriated in this section, the department
2 may expand the new freedom waiver program to accommodate new waiver
3 recipients throughout the state. As possible, and in compliance with
4 current state and federal laws, the department shall allow current
5 waiver recipients to transfer to the new freedom waiver.

6 (10) Individuals receiving services as supplemental security income
7 (SSI) state supplemental payments shall not become eligible for medical
8 assistance under RCW 74.09.510 due solely to the receipt of SSI state
9 supplemental payments.

10 (11) \$3,955,000 of the general fund--state appropriation for fiscal
11 year 2010, (~~(\$4,239,000)~~) \$3,972,000 of the general fund--state
12 appropriation for fiscal year 2011, and \$10,190,000 of the general
13 fund--federal appropriation are provided solely for the continued
14 operation of community residential and support services for persons who
15 are older adults or who have co-occurring medical and behavioral
16 disorders and who have been discharged or diverted from a state
17 psychiatric hospital. These funds shall be used to serve individuals
18 whose treatment needs constitute substantial barriers to community
19 placement, who no longer require active psychiatric treatment at an
20 inpatient hospital level of care, and who no longer meet the criteria
21 for inpatient involuntary commitment. Coordination of these services
22 will be done in partnership between the mental health program and the
23 aging and disability services administration.

24 (12) Within the funds provided, the department shall continue to
25 provide an add-on per medicaid resident day per facility not to exceed
26 \$1.57. The add-on shall be used to increase wages, benefits, and/or
27 staffing levels for certified nurse aides; or to increase wages and/or
28 benefits for dietary aides, housekeepers, laundry aides, or any other
29 category of worker whose statewide average dollars-per-hour wage was
30 less than \$15 in calendar year 2008, according to cost report data.
31 The add-on may also be used to address resulting wage compression for
32 related job classes immediately affected by wage increases to low-wage
33 workers. The department shall continue reporting requirements and a
34 settlement process to ensure that the funds are spent according to this
35 subsection. The department shall adopt rules to implement the terms of
36 this subsection.

37 (13) \$1,840,000 of the general fund--state appropriation for fiscal
38 year 2010 and (~~(\$1,877,000)~~) \$1,759,000 of the general fund--state

1 appropriation for fiscal year 2011 are provided solely for operation of
2 the volunteer services program. Funding shall be prioritized towards
3 serving populations traditionally served by long-term care services to
4 include senior citizens and persons with disabilities.

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

9 (a) One waiver program shall include coverage of care in community
10 residential facilities. Enrollment in the waiver shall not exceed 600
11 persons at any time.

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

15 (c) The department shall identify the number of medically needy
16 nursing home residents, and enrollment and expenditures on each of the
17 two medically needy waivers, on monthly management reports.

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

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

28 (16) The department shall contract for housing with service models,
29 such as cluster care, to create efficiencies in service delivery and
30 responsiveness to unscheduled personal care needs by clustering hours
31 for clients that live in close proximity to each other.

32 (17) The department shall not pay a home care agency licensed under
33 chapter 70.127 RCW for personal care services provided by a family
34 member, pursuant to Substitute House Bill No. 2361 (modifying state
35 payments for in-home care).

36 (18) \$209,000 of the general fund--state appropriation for fiscal
37 year 2010, (~~(\$781,000)~~) \$732,000 of the general fund--state
38 appropriation for fiscal year 2011, and \$1,293,000 of the general

1 fund--federal appropriation are provided solely to implement Engrossed
2 House Bill No. 2194 (extraordinary medical placement for offenders).
3 The department shall work in partnership with the department of
4 corrections to identify services and find placements for offenders who
5 are released through the extraordinary medical placement program. The
6 department shall collaborate with the department of corrections to
7 identify and track cost savings to the department of corrections,
8 including medical cost savings and to identify and track expenditures
9 incurred by the aging and disability services program for community
10 services and by the medical assistance program for medical expenses.
11 A joint report regarding the identified savings and expenditures shall
12 be provided to the office of financial management and the appropriate
13 fiscal committees of the legislature by November 30, 2010. If this
14 bill is not enacted by June 30, 2009, the amounts provided in this
15 subsection shall lapse.

16 (19) In accordance with RCW 18.51.050, 18.20.050, and 43.135.055,
17 the department is authorized to increase nursing facility and boarding
18 home fees in fiscal year 2011 as necessary to meet the actual costs of
19 conducting the licensure, inspection, and regulatory programs.

20 (a) \$1,035,000 of the general fund--private/local appropriation
21 assumes that the current annual renewal license fee for nursing
22 facilities shall be increased to \$327 per bed beginning in fiscal year
23 2011.

24 (b) \$1,806,000 of the general fund--local appropriation assumes
25 that the current annual renewal license fee for boarding homes shall be
26 increased to \$106 per bed beginning in fiscal year 2011.

27 (20) \$2,566,000 of the traumatic brain injury account--state
28 appropriation is provided solely to continue services for persons with
29 traumatic brain injury (TBI) as defined in RCW 74.31.020 through
30 74.31.050. The TBI advisory council shall provide a report to the
31 legislature by December 1, 2010, on the effectiveness of the functions
32 overseen by the council and shall provide recommendations on the
33 development of critical services for individuals with traumatic brain
34 injury.

35 (21) The automatic award of additional hours of personal care for
36 people with special meal preparation or incontinence needs is
37 eliminated. Authorization of service hours will be based upon the
38 individual's assessed needs.

1 (22) For calendar year 2009, the department shall calculate split
2 settlements covering two periods January 1, 2009, through June 30,
3 2009, and July 1, 2009, through December 31, 2009. For the second
4 period beginning July 1, 2009, the department may partially or totally
5 waive settlements only in specific cases where a nursing home can
6 demonstrate significant decreases in costs from the first period.

7 (23) \$72,000 of the traumatic brain injury account appropriation
8 and \$116,000 of the general fund--federal appropriation are provided
9 solely for a direct care rate add-on to any nursing facility
10 specializing in the care of residents with traumatic brain injuries
11 where more than 50 percent of residents are classified with this
12 condition based upon the federal minimum data set assessment.

13 (24) \$69,000 of the general fund--state appropriation for fiscal
14 year 2010, (~~(\$1,289,000)~~) \$1,208,000 of the general fund--state
15 appropriation for fiscal year 2011, and \$2,050,000 of the general fund--
16 federal appropriation are provided solely for the department to
17 maintain enrollment in the adult day health services program. New
18 enrollments are authorized for up to 1,575 clients or to the extent
19 that appropriated funds are available to cover additional clients.

20 (25) (~~(\$1,000,000)~~) \$937,000 of the general fund--state
21 appropriation for fiscal year 2011 is provided solely for the
22 department to contract for the provision of an individual provider
23 referral registry.

24 (26) (~~(\$100,000)~~) \$94,000 of the general fund--state appropriation
25 for fiscal year 2011 and \$100,000 of the general fund--federal
26 appropriation are provided solely for the department to contract with
27 a consultant to evaluate and make recommendations on a pay-for-
28 performance payment subsidy system. The department shall organize one
29 workgroup meeting with the consultant where nursing home stakeholders
30 may provide input on pay-for-performance ideas. The consultant shall
31 review pay-for-performance strategies used in other states to sustain
32 and enhance quality-improvement efforts in nursing facilities. The
33 evaluation shall include a review of the centers for medicare and
34 medicaid services demonstration project to explore the feasibility of
35 pay-for-performance systems in medicare certified nursing facilities.
36 The consultant shall develop a report to include:

37 (a) Best practices used in other states for pay-for-performance
38 strategies incorporated into medicaid nursing home payment systems;

- 1 (b) The relevance of existing research to Washington state;
- 2 (c) A summary and review of suggestions for pay-for-performance
- 3 strategies provided by nursing home stakeholders in Washington state;
- 4 and
- 5 (d) An evaluation of the effectiveness of a variety of performance
- 6 measures.

7 (27) \$4,100,000 of the general fund--state appropriation for fiscal
 8 year 2010, \$4,174,000 of the general fund--state appropriation for
 9 fiscal year 2011, and \$8,124,000 of the general fund--federal
 10 appropriation are provided for the operation of the management services
 11 division of the aging and disability services administration. This
 12 includes but is not limited to the budget, contracts, accounting,
 13 decision support, information technology, and rate development
 14 activities for programs administered by the aging and disability
 15 services administration. Nothing in this subsection is intended to
 16 exempt the management services division of the aging and disability
 17 services administration from reductions directed by the secretary.
 18 However, funds provided in this subsection shall not be transferred
 19 elsewhere within the department nor used for any other purpose.

20 **Sec. 206.** 2010 2nd sp.s. c 1 s 206 (uncodified) is amended to read
 21 as follows:

22 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES**
 23 **PROGRAM**

| | | |
|----|-------------------------------------------------------|----------------------------------|
| 24 | General Fund--State Appropriation (FY 2010) | \$564,242,000 |
| 25 | General Fund--State Appropriation (FY 2011) | ((\$565,617,000)) |
| 26 | | <u>\$525,402,000</u> |
| 27 | General Fund--Federal Appropriation | ((\$1,220,752,000)) |
| 28 | | <u>\$1,219,423,000</u> |
| 29 | General Fund--Private/Local Appropriation | ((\$31,816,000)) |
| 30 | | <u>\$37,816,000</u> |
| 31 | Administrative Contingency Account--State | |
| 32 | Appropriation | \$24,336,000 |
| 33 | TOTAL APPROPRIATION | ((\$2,406,763,000)) |
| 34 | | <u>\$2,371,219,000</u> |

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

1 (1) \$303,393,000 of the general fund--state appropriation for
2 fiscal year 2010, \$285,057,000 of the general fund--state appropriation
3 for fiscal year 2011, \$24,336,000 of the administrative contingency
4 account--state appropriation, and \$778,606,000 of the general fund--
5 federal appropriation are provided solely for all components of the
6 WorkFirst program. The department shall use moneys from the
7 administrative contingency account for WorkFirst job placement services
8 provided by the employment security department. Within the amounts
9 provided for the WorkFirst program, the department may provide
10 assistance using state-only funds for families eligible for temporary
11 assistance for needy families. In addition, within the amounts
12 provided for WorkFirst the department shall:

13 (a) Establish a career services work transition program;

14 (b) Continue to implement WorkFirst program improvements that are
15 designed to achieve progress against outcome measures specified in RCW
16 74.08A.410. Outcome data regarding job retention and wage progression
17 shall be reported quarterly to appropriate fiscal and policy committees
18 of the legislature for families who leave assistance, measured after 12
19 months, 24 months, and 36 months. The department shall also report the
20 percentage of families who have returned to temporary assistance for
21 needy families after 12 months, 24 months, and 36 months;

22 (c) Submit a report electronically by October 1, 2009, to the
23 fiscal committees of the legislature containing a spending plan for the
24 WorkFirst program. The plan shall identify how spending levels in the
25 2009-2011 biennium will be adjusted to stay within available federal
26 grant levels and the appropriated state-fund levels;

27 (d) Provide quarterly fiscal reports to the office of financial
28 management and the legislative fiscal committees detailing information
29 on the amount expended from general fund--state and general fund--
30 federal by activity.

31 (2) The department and the office of financial management shall
32 electronically report quarterly the expenditures, maintenance of effort
33 allotments, expenditure amounts, and caseloads for the WorkFirst
34 program to the legislative fiscal committees.

35 (3) \$16,783,000 of the general fund--state appropriation for fiscal
36 year 2011 and \$62,000,000 of the general fund--federal appropriation
37 are provided solely for all components of the WorkFirst program in
38 order to maintain services to January 2011. The legislature intends to

1 work with the governor to design and implement fiscal and programmatic
2 modifications to provide for the sustainability of the program. The
3 funding in this subsection assumes that no other expenditure reductions
4 will be made prior to January 2011 other than those assumed in the
5 appropriation levels in this act.

6 (4) \$94,322,000 of the general fund--state appropriation for fiscal
7 year 2010 and (~~(\$84,904,000)~~) \$64,545,000 of the general fund--state
8 appropriation for fiscal year 2011, net of recoveries, are provided
9 solely for cash assistance and other services to recipients in the cash
10 program pursuant to chapter 8, Laws of 2010 1st sp. sess. (security
11 lifeline act), including persons in the unemployable, expedited, and
12 aged, blind, and disabled components of the program. It is the intent
13 of the legislature that the lifeline incapacity determination and
14 progressive evaluation process regulations be carefully designed to
15 accurately identify those persons who have been or will be
16 incapacitated for at least ninety days. The incapacity determination
17 and progressive evaluation process regulations in effect on January 1,
18 2010, cannot be amended until at least September 30, 2010; except that
19 provisions related to the use of administrative review teams may be
20 amended, and obsolete terminology and functional assessment language
21 may be updated on or after July 1, 2010, in a manner that only
22 minimally impacts the outcome of incapacity evaluations. After
23 September 30, 2010, the incapacity determination and progressive
24 evaluation process regulations may be amended only if the reports under
25 (a) and (b) of this subsection have been submitted, and find that
26 expenditures will exceed the appropriated level by three percent or
27 more.

28 (a) The department and the caseload forecast council shall, by
29 September 21, 2010, submit a report to the legislature based upon the
30 most recent caseload forecast and actual expenditure data available, as
31 to whether expenditures for the lifeline-unemployable grants in fiscal
32 year 2011 will exceed \$69,648,000 for fiscal year 2011 in the 2010
33 supplemental operating budget by three percent or more. If
34 expenditures will exceed the appropriated amount for lifeline-
35 unemployable grants by three percent or more, the department may adopt
36 regulations modifying incapacity determination and progressive
37 evaluation process regulations after September 30, 2010.

1 (b) On or before September 21, 2010, the department shall submit a
2 report to the relevant policy and fiscal committees of the legislature
3 that includes the following information regarding any regulations
4 proposed for adoption that would modify the lifeline incapacity
5 determination and progressive evaluation process:

6 (i) A copy of the proposed changes and a concise description of the
7 changes;

8 (ii) A description of the persons who would likely be affected by
9 adoption of the regulations, including their impairments, age,
10 education, and work history;

11 (iii) An estimate of the number of persons who, on a monthly basis
12 through June 2013, would be denied lifeline benefits if the regulations
13 were adopted, expressed as a number, as a percentage of total
14 applicants, and as a percentage of the number of persons granted
15 lifeline benefits in each month;

16 (iv) An estimate of the number of persons who, on a monthly basis
17 through June 2013, would have their lifeline benefits terminated
18 following an eligibility review if the regulations were adopted,
19 expressed as a number, as a percentage of the number of persons who
20 have had an eligibility review in each month, and as a percentage of
21 the total number of persons currently receiving lifeline-unemployable
22 benefits in each month; and

23 (v) Intended improvements in employment or treatment outcomes among
24 persons receiving lifeline benefits that could be attributable to the
25 changes in the regulations.

26 (c) Within these amounts:

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

35 (ii) The department shall review the lifeline caseload to identify
36 recipients that would benefit from assistance in becoming naturalized
37 citizens, and thus be eligible to receive federal supplemental security

1 income benefits. Those cases shall be given high priority for
2 naturalization funding through the department;

3 (iii) The department shall actively coordinate with local workforce
4 development councils to expedite access to worker retraining programs
5 for lifeline clients in those regions of the state with the greatest
6 number of such clients;

7 (iv) By July 1, 2009, the department shall enter into an
8 interagency agreement with the department of veterans' affairs to
9 establish a process for referral of veterans who may be eligible for
10 veteran's services. This agreement must include outstationing
11 department of veterans' affairs staff in selected community service
12 office locations in King and Pierce counties to facilitate applications
13 for veterans' services; and

14 (v) In addition to any earlier evaluation that may have been
15 conducted, the department shall intensively evaluate those clients who
16 have been receiving lifeline benefits for twelve months or more as of
17 July 1, 2009, or thereafter, if the available medical and incapacity
18 related evidence indicates that the client is unlikely to meet the
19 disability standard for federal supplemental security income benefits.
20 The evaluation shall identify services necessary to eliminate or
21 minimize barriers to employment, including mental health treatment,
22 substance abuse treatment and vocational rehabilitation services. The
23 department shall expedite referrals to chemical dependency treatment,
24 mental health and vocational rehabilitation services for these clients.

25 (vi) The appropriations in this subsection reflect a change in the
26 earned income disregard policy for lifeline clients. It is the intent
27 of the legislature that the department shall adopt the temporary
28 assistance for needy families earned income policy for the lifeline
29 program.

30 (5) \$750,000 of the general fund--state appropriation for fiscal
31 year 2010 and \$750,000 of the general fund--state appropriation for
32 fiscal year 2011 are provided solely for naturalization services.

33 (6)(a) \$3,550,000 of the general fund--state appropriation for
34 fiscal year 2010 is provided solely for refugee employment services, of
35 which \$2,650,000 is provided solely for the department to pass through
36 to statewide refugee assistance organizations for limited English
37 proficiency pathway services; and (~~(\$3,550,000)~~) \$550,000 of the
38 general fund--state appropriation for fiscal year 2011 is provided

1 solely for refugee employment services(~~(, of which \$2,650,000 is~~
2 ~~provided solely for the department to pass through to statewide refugee~~
3 ~~assistance organizations for limited English proficiency pathway~~
4 ~~services.~~

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

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

15 (8) \$855,000 of the general fund--state appropriation for fiscal
16 year 2011, \$719,000 of the general fund--federal appropriation, and
17 \$2,907,000 of the general fund--private/local appropriation are
18 provided solely for the implementation of the opportunity portal, the
19 food stamp employment and training program, and the disability lifeline
20 program under Second Substitute House Bill No. 2782 (security lifeline
21 act). If the bill is not enacted by June 30, 2010, the amounts
22 provided in this subsection shall lapse.

23 (9) (~~(\$200,000)~~) \$100,000 of the general fund--state appropriation
24 for fiscal year 2011 is provided solely for the department to award
25 grants to small mutual assistance or small community-based
26 organizations that contract with the department for immigrant and
27 refugee assistance services. The funds shall be awarded to provide
28 funding for community groups to provide transitional assistance,
29 language skills, and other resources to improve refugees' economic
30 self-sufficiency through the effective use of social services,
31 financial services, and medical assistance.

32 **Sec. 207.** 2010 2nd sp.s. c 1 s 207 (uncodified) is amended to read
33 as follows:

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

36 General Fund--State Appropriation (FY 2010) \$81,982,000
37 General Fund--State Appropriation (FY 2011) (~~(\$82,379,000)~~)

| | | |
|---|---------------------------------------------------------|--------------------------------|
| 1 | | <u>\$77,065,000</u> |
| 2 | General Fund--Federal Appropriation | ((\$148,018,000)) |
| 3 | | <u>\$147,924,000</u> |
| 4 | General Fund--Private/Local Appropriation | \$2,718,000 |
| 5 | Criminal Justice Treatment Account--State | |
| 6 | Appropriation | \$17,743,000 |
| 7 | Problem Gambling Account--State Appropriation | \$1,456,000 |
| 8 | TOTAL APPROPRIATION | ((\$334,296,000)) |
| 9 | | <u>\$328,888,000</u> |

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

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

17 (2) Within the amounts appropriated in this section, the department
18 shall continue to provide for chemical dependency treatment services
19 for adult medicaid eligible and general assistance-unemployable
20 patients.

21 (3) In addition to other reductions, the appropriations in this
22 section reflect reductions targeted specifically to state government
23 administrative costs. These administrative reductions shall be
24 achieved, to the greatest extent possible, by reducing those
25 administrative costs that do not affect direct client services or
26 direct service delivery or programs.

27 ~~(4) ((\$2,247,000 of the general fund state appropriation for~~
28 ~~fiscal year 2011 is provided solely for the implementation of the~~
29 ~~lifeline program under Second Substitute House Bill No. 2782 (security~~
30 ~~lifeline act). If the bill is not enacted by June 30, 2010, the amount~~
31 ~~provided in this subsection shall lapse.~~

32 ~~(5))~~ \$3,500,000 of the general fund--federal appropriation (from
33 the substance abuse prevention and treatment federal block grant) is
34 provided solely for the continued funding of existing county drug and
35 alcohol use prevention programs.

36 **Sec. 208.** 2010 2nd sp.s. c 1 s 208 (uncodified) is amended to read
37 as follows:

1 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE**
2 **PROGRAM**

| | | |
|----|-------------------------------------------------------|------------------------------|
| 3 | General Fund--State Appropriation (FY 2010) | \$1,697,203,000 |
| 4 | General Fund--State Appropriation (FY 2011) | (\$1,752,373,000) |
| 5 | | <u>\$1,702,347,000</u> |
| 6 | General Fund--Federal Appropriation | (\$6,047,652,000) |
| 7 | | <u>\$6,010,061,000</u> |
| 8 | General Fund--Private/Local Appropriation | (\$37,249,000) |
| 9 | | <u>\$38,448,000</u> |
| 10 | Emergency Medical Services and Trauma Care Systems | |
| 11 | Trust Account--State Appropriation | \$15,075,000 |
| 12 | Tobacco Prevention and Control Account-- | |
| 13 | State Appropriation | \$4,464,000 |
| 14 | Hospital Safety Net Assessment Fund--State | |
| 15 | Appropriation | \$260,036,000 |
| 16 | TOTAL APPROPRIATION | (\$9,814,052,000) |
| 17 | | <u>\$9,727,634,000</u> |

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

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

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

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

33 (4) When a person is ineligible for medicaid solely by reason of
34 residence in an institution for mental diseases, the department shall
35 provide the person with the same benefits as he or she would receive if
36 eligible for medicaid, using state-only funds to the extent necessary.

37 (5) In accordance with RCW 74.46.625, \$6,000,000 of the general
38 fund--federal appropriation is provided solely for supplemental

1 payments to nursing homes operated by public hospital districts. The
2 public hospital district shall be responsible for providing the
3 required nonfederal match for the supplemental payment, and the
4 payments shall not exceed the maximum allowable under federal rules.
5 It is the legislature's intent that the payments shall be supplemental
6 to and shall not in any way offset or reduce the payments calculated
7 and provided in accordance with part E of chapter 74.46 RCW. It is the
8 legislature's further intent that costs otherwise allowable for rate-
9 setting and settlement against payments under chapter 74.46 RCW shall
10 not be disallowed solely because such costs have been paid by revenues
11 retained by the nursing home from these supplemental payments. The
12 supplemental payments are subject to retrospective interim and final
13 cost settlements based on the nursing homes' as-filed and final
14 medicare cost reports. The timing of the interim and final cost
15 settlements shall be at the department's discretion. During either the
16 interim cost settlement or the final cost settlement, the department
17 shall recoup from the public hospital districts the supplemental
18 payments that exceed the medicaid cost limit and/or the medicare upper
19 payment limit. The department shall apply federal rules for
20 identifying the eligible incurred medicaid costs and the medicare upper
21 payment limit.

22 (6) \$1,110,000 of the general fund--federal appropriation and
23 \$1,105,000 of the general fund--state appropriation for fiscal year
24 2011 are provided solely for grants to rural hospitals. The department
25 shall distribute the funds under a formula that provides a relatively
26 larger share of the available funding to hospitals that (a) serve a
27 disproportionate share of low-income and medically indigent patients,
28 and (b) have relatively smaller net financial margins, to the extent
29 allowed by the federal medicaid program.

30 (7) (~~(\$9,818,000)~~) \$5,729,000 of the general fund--state
31 appropriation for fiscal year 2011, and (~~(\$9,865,000)~~) \$5,776,000 of
32 the general fund--federal appropriation are provided solely for grants
33 to nonrural hospitals. The department shall distribute the funds under
34 a formula that provides a relatively larger share of the available
35 funding to hospitals that (a) serve a disproportionate share of low-
36 income and medically indigent patients, and (b) have relatively smaller
37 net financial margins, to the extent allowed by the federal medicaid
38 program.

1 (8) The department shall continue the inpatient hospital certified
2 public expenditures program for the 2009-11 biennium. The program
3 shall apply to all public hospitals, including those owned or operated
4 by the state, except those classified as critical access hospitals or
5 state psychiatric institutions. The department shall submit reports to
6 the governor and legislature by November 1, 2009, and by November 1,
7 2010, that evaluate whether savings continue to exceed costs for this
8 program. If the certified public expenditures (CPE) program in its
9 current form is no longer cost-effective to maintain, the department
10 shall submit a report to the governor and legislature detailing
11 cost-effective alternative uses of local, state, and federal resources
12 as a replacement for this program. During fiscal year 2010 and fiscal
13 year 2011, hospitals in the program shall be paid and shall retain one
14 hundred percent of the federal portion of the allowable hospital cost
15 for each medicaid inpatient fee-for-service claim payable by medical
16 assistance and one hundred percent of the federal portion of the
17 maximum disproportionate share hospital payment allowable under federal
18 regulations. Inpatient medicaid payments shall be established using an
19 allowable methodology that approximates the cost of claims submitted by
20 the hospitals. Payments made to each hospital in the program in each
21 fiscal year of the biennium shall be compared to a baseline amount.
22 The baseline amount will be determined by the total of (a) the
23 inpatient claim payment amounts that would have been paid during the
24 fiscal year had the hospital not been in the CPE program based on the
25 reimbursement rates developed, implemented, and consistent with
26 policies approved in the 2009-11 biennial operating appropriations act
27 (chapter 564, Laws of 2009) and in effect on July 1, 2009, (b) one half
28 of the indigent assistance disproportionate share hospital payment
29 amounts paid to and retained by each hospital during fiscal year 2005,
30 and (c) all of the other disproportionate share hospital payment
31 amounts paid to and retained by each hospital during fiscal year 2005
32 to the extent the same disproportionate share hospital programs exist
33 in the 2009-11 biennium. If payments during the fiscal year exceed the
34 hospital's baseline amount, no additional payments will be made to the
35 hospital except the federal portion of allowable disproportionate share
36 hospital payments for which the hospital can certify allowable match.
37 If payments during the fiscal year are less than the baseline amount,
38 the hospital will be paid a state grant equal to the difference between

1 payments during the fiscal year and the applicable baseline amount.
2 Payment of the state grant shall be made in the applicable fiscal year
3 and distributed in monthly payments. The grants will be recalculated
4 and redistributed as the baseline is updated during the fiscal year.
5 The grant payments are subject to an interim settlement within eleven
6 months after the end of the fiscal year. A final settlement shall be
7 performed. To the extent that either settlement determines that a
8 hospital has received funds in excess of what it would have received as
9 described in this subsection, the hospital must repay the excess
10 amounts to the state when requested. \$20,403,000 of the general fund--
11 state appropriation for fiscal year 2010, of which \$6,570,000 is
12 appropriated in section 204(1) of this act, and \$29,480,000 of the
13 general fund--state appropriation for fiscal year 2011, of which
14 \$6,570,000 is appropriated in section 204(1) of this act, are provided
15 solely for state grants for the participating hospitals. CPE hospitals
16 will receive the inpatient and outpatient reimbursement rate
17 restorations in section 9 and rate increases in section 10(1)(b) of
18 Engrossed Second Substitute House Bill No. 2956 (hospital safety net
19 assessment) funded through the hospital safety net assessment fund
20 rather than through the baseline mechanism specified in this
21 subsection.

22 (9) The department is authorized to use funds appropriated in this
23 section to purchase goods and supplies through direct contracting with
24 vendors when the department determines it is cost-effective to do so.

25 (10) \$93,000 of the general fund--state appropriation for fiscal
26 year 2010 and \$93,000 of the general fund--federal appropriation are
27 provided solely for the department to pursue a federal Medicaid waiver
28 pursuant to Second Substitute Senate Bill No. 5945 (Washington health
29 partnership plan). If the bill is not enacted by June 30, 2009, the
30 amounts provided in this subsection shall lapse.

31 (11) The department shall require managed health care systems that
32 have contracts with the department to serve medical assistance clients
33 to limit any reimbursements or payments the systems make to providers
34 not employed by or under contract with the systems to no more than the
35 medical assistance rates paid by the department to providers for
36 comparable services rendered to clients in the fee-for-service delivery
37 system.

1 (12) A maximum of \$241,141,000 in total funds from the general
2 fund--state, general fund--federal, and tobacco and prevention control
3 account--state appropriations may be expended in the fiscal biennium
4 for the medical program pursuant to chapter 8, Laws of 2010 1st sp.
5 sess. (security lifeline act), and these amounts are provided solely
6 for this program. Of these amounts, \$10,749,000 of the general fund--
7 state appropriation for fiscal year 2010 and \$10,892,000 of the general
8 fund--federal appropriation are provided solely for payments to
9 hospitals for providing outpatient services to low income patients who
10 are recipients of lifeline benefits. Pursuant to RCW 74.09.035, the
11 department shall not expend for the lifeline medical care services
12 program any amounts in excess of the amounts provided in this
13 subsection.

14 (13) Mental health services shall be included in the services
15 provided through the managed care system for lifeline clients under
16 chapter 8, Laws of 2010 1st sp. sess. In transitioning lifeline
17 clients to managed care, the department shall attempt to deliver care
18 to lifeline clients through medical homes in community and migrant
19 health centers. The department, in collaboration with the carrier,
20 shall seek to improve the transition rate of lifeline clients to the
21 federal supplemental security income program. The department shall
22 renegotiate the contract with the managed care plan that provides
23 services for lifeline clients to maximize state retention of future
24 hospital savings as a result of improved care coordination. The
25 department, in collaboration with stakeholders, shall propose a new
26 name for the lifeline program.

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

32 (15) The department shall report to the governor and the fiscal
33 committees of the legislature by June 1, 2010, on its progress toward
34 achieving a twenty percentage point increase in the generic
35 prescription drug utilization rate.

36 (16) State funds shall not be used by hospitals for advertising
37 purposes.

1 (17) \$24,356,000 of the general fund--private/local appropriation
2 and \$35,707,000 of the general fund--federal appropriation are provided
3 solely for the implementation of professional services supplemental
4 payment programs. The department shall seek a medicaid state plan
5 amendment to create a professional services supplemental payment
6 program for University of Washington medicine professional providers no
7 later than July 1, 2009. The department shall apply federal rules for
8 identifying the shortfall between current fee-for-service medicaid
9 payments to participating providers and the applicable federal upper
10 payment limit. Participating providers shall be solely responsible for
11 providing the local funds required to obtain federal matching funds.
12 Any incremental costs incurred by the department in the development,
13 implementation, and maintenance of this program will be the
14 responsibility of the participating providers. Participating providers
15 will retain the full amount of supplemental payments provided under
16 this program, net of any potential costs for any related audits or
17 litigation brought against the state. The department shall report to
18 the governor and the legislative fiscal committees on the prospects for
19 expansion of the program to other qualifying providers as soon as
20 feasibility is determined but no later than December 31, 2009. The
21 report will outline estimated impacts on the participating providers,
22 the procedures necessary to comply with federal guidelines, and the
23 administrative resource requirements necessary to implement the
24 program. The department will create a process for expansion of the
25 program to other qualifying providers as soon as it is determined
26 feasible by both the department and providers but no later than June
27 30, 2010.

28 (18) \$9,075,000 of the general fund--state appropriation for fiscal
29 year 2010, \$8,588,000 of the general fund--state appropriation for
30 fiscal year 2011, and \$39,747,000 of the general fund--federal
31 appropriation are provided solely for development and implementation of
32 a replacement system for the existing medicaid management information
33 system. The amounts provided in this subsection are conditioned on the
34 department satisfying the requirements of section 902 of this act.

35 (19) \$506,000 of the general fund--state appropriation for fiscal
36 year 2011 and \$657,000 of the general fund--federal appropriation are
37 provided solely for the implementation of Second Substitute House Bill

1 No. 1373 (children's mental health). If the bill is not enacted by
2 June 30, 2009, the amounts provided in this subsection shall lapse.

3 (20) Pursuant to 42 U.S.C. Sec. 1396(a)(25), the department shall
4 pursue insurance claims on behalf of medicaid children served through
5 its in-home medically intensive child program under WAC 388-551-3000.
6 The department shall report to the Legislature by December 31, 2009, on
7 the results of its efforts to recover such claims.

8 (21) The department may, on a case-by-case basis and in the best
9 interests of the child, set payment rates for medically intensive home
10 care services to promote access to home care as an alternative to
11 hospitalization. Expenditures related to these increased payments
12 shall not exceed the amount the department would otherwise pay for
13 hospitalization for the child receiving medically intensive home care
14 services.

15 (22) \$425,000 of the general fund--state appropriation for fiscal
16 year 2010 and \$790,000 of the general fund--federal appropriation are
17 provided solely to continue children's health coverage outreach and
18 education efforts under RCW 74.09.470. These efforts shall rely on
19 existing relationships and systems developed with local public health
20 agencies, health care providers, public schools, the women, infants,
21 and children program, the early childhood education and assistance
22 program, child care providers, newborn visiting nurses, and other
23 community-based organizations. The department shall seek public-
24 private partnerships and federal funds that are or may become available
25 to provide on-going support for outreach and education efforts under
26 the federal children's health insurance program reauthorization act of
27 2009.

28 (23) The department, in conjunction with the office of financial
29 management, shall implement a prorated inpatient payment policy.

30 (24) The department will pursue a competitive procurement process
31 for antihemophilic products, emphasizing evidence-based medicine and
32 protection of patient access without significant disruption in
33 treatment.

34 (25) The department will pursue several strategies towards reducing
35 pharmacy expenditures including but not limited to increasing generic
36 prescription drug utilization by 20 percentage points and promoting
37 increased utilization of the existing mail-order pharmacy program.

1 (26) The department shall reduce reimbursement for over-the-counter
2 medications while maintaining reimbursement for those over-the-counter
3 medications that can replace more costly prescription medications.

4 (27) The department shall seek public-private partnerships and
5 federal funds that are or may become available to implement health
6 information technology projects under the federal American recovery and
7 reinvestment act of 2009.

8 (28) If the cost of a brand name drug, after receiving discounted
9 prices and rebates, is less than the cost of the generic version of the
10 drug for the medical assistance program, the brand name drug shall be
11 purchased.

12 ~~((+28))~~ (29) The department shall target funding for maternity
13 support services towards pregnant women with factors that lead to
14 higher rates of poor birth outcomes, including hypertension, a preterm
15 or low birth weight birth in the most recent previous birth, a
16 cognitive deficit or developmental disability, substance abuse, severe
17 mental illness, unhealthy weight or failure to gain weight, tobacco
18 use, or African American or Native American race. The department shall
19 prioritize evidence-based practices for delivery of maternity support
20 services. To the extent practicable, the department shall develop a
21 mechanism to increase federal funding for maternity support services by
22 leveraging local public funding for those services.

23 ~~((+29))~~ (30) \$260,036,000 of the hospital safety net assessment
24 fund--state appropriation and \$255,448,000 of the general fund--federal
25 appropriation are provided solely for the implementation of Engrossed
26 Second Substitute House Bill No. 2956 (hospital safety net assessment).
27 If the bill is not enacted by June 30, 2010, the amounts provided in
28 this subsection shall lapse.

29 ~~((+30))~~ (31) \$79,000 of the general fund--state appropriation for
30 fiscal year 2010 and \$53,000 of the general fund--federal appropriation
31 are provided solely to implement Substitute House Bill No. 1845
32 (medical support obligations).

33 ~~((+31))~~ (32) \$63,000 of the general fund--state appropriation for
34 fiscal year 2010, \$583,000 of the general fund--state appropriation for
35 fiscal year 2011, and \$864,000 of the general fund--federal
36 appropriation are provided solely to implement Engrossed House Bill No.
37 2194 (extraordinary medical placement for offenders). The department
38 shall work in partnership with the department of corrections to

1 identify services and find placements for offenders who are released
2 through the extraordinary medical placement program. The department
3 shall collaborate with the department of corrections to identify and
4 track cost savings to the department of corrections, including medical
5 cost savings, and to identify and track expenditures incurred by the
6 aging and disability services program for community services and by the
7 medical assistance program for medical expenses. A joint report
8 regarding the identified savings and expenditures shall be provided to
9 the office of financial management and the appropriate fiscal
10 committees of the legislature by November 30, 2010. If this bill is
11 not enacted by June 30, 2009, the amounts provided in this subsection
12 shall lapse.

13 ((+32+)) (33) \$73,000 of the general fund--state appropriation for
14 fiscal year 2011 and \$50,000 of the general fund--federal appropriation
15 is provided solely for supplemental services that will be provided to
16 offenders in lieu of a prison sentence pursuant to chapter 224, Laws of
17 2010 (Substitute Senate Bill No. 6639).

18 ~~((33) Sufficient amounts are provided in this section to provide
19 full-benefit-dual-eligible-beneficiaries-with-medicare-part-D
20 prescription-drug-copayment-coverage-in-accordance-with-RCW
21 74.09.520.))~~

22 (34) In addition to other reductions, the appropriations in this
23 section reflect reductions targeted specifically to state government
24 administrative costs. These administrative reductions shall be
25 achieved, to the greatest extent possible, by reducing those
26 administrative costs that do not affect providers, direct client
27 services, or direct service delivery or programs.

28 (35) \$331,000 of the general fund--state appropriation for fiscal
29 year 2010, \$331,000 of the general fund--state appropriation for fiscal
30 year 2011, and \$1,228,000 of the general fund--federal appropriation
31 are provided solely for the department to support the activities of the
32 Washington poison center. The department shall seek federal authority
33 to receive matching funds from the federal government through the
34 children's health insurance program.

35 (36) \$528,000 of the general fund--state appropriation and
36 \$2,955,000 of the general fund--federal appropriation are provided
37 solely for the implementation of the lifeline program under chapter 8,
38 Laws of 2010 1st sp. sess. (security lifeline act).

1 (37) Reductions in dental services are to be achieved by focusing
2 on the fastest growing areas of dental care. Reductions in
3 preventative care, particularly for children, will be avoided to the
4 extent possible.

5 (38) \$1,307,000 of the general fund--state appropriation for fiscal
6 year 2011 and \$1,770,000 of the general fund--federal appropriation are
7 provided solely to continue to provide dental services in calendar year
8 2011 for qualifying adults with developmental disabilities. Services
9 shall include preventive, routine, and emergent dental care, and
10 support for continued operation of the dental education in care of
11 persons with disabilities (DECOD) program at the University of
12 Washington.

13 (39) The department shall develop the capability to implement apple
14 health for kids express lane eligibility enrollments for children
15 receiving basic food assistance by June 30, 2011.

16 (40)(a) The department, in coordination with the health care
17 authority, shall actively continue to negotiate a medicaid section 1115
18 waiver with the federal centers for medicare and medicaid services that
19 would provide federal matching funds for services provided to persons
20 enrolled in the basic health plan under chapter 70.47 RCW and the
21 medical care services program under RCW 74.09.035.

22 (b) If the waiver in (a) of this subsection is granted, the
23 department and the health care authority may implement the waiver if it
24 allows the program to remain within appropriated levels, after
25 providing notice of its terms and conditions to the relevant policy and
26 fiscal committees of the legislature in writing thirty days prior to
27 the planned implementation date of the waiver.

28 (41) \$704,000 of the general fund--state appropriation for fiscal
29 year 2010, \$812,000 of the general fund--state appropriation for fiscal
30 year 2011, and \$1,516,000 of the general fund--federal appropriation
31 are provided solely for maintaining employer-sponsored insurance
32 program staff, coordination of benefits unit staff, the payment
33 integrity audit team, and family planning nursing.

34 (42) Every effort shall be made to maintain current employment
35 levels and achieve administrative savings through vacancies and
36 employee attrition. Efficiencies shall be implemented as soon as
37 possible in order to minimize actual reduction in force. The

1 department shall implement a management strategy that minimizes
2 disruption of service and negative impacts on employees.

3 (43) \$1,199,000 of the general fund--private/local appropriation
4 for fiscal year 2011 and \$1,671,000 of the general fund--federal
5 appropriation are provided solely for medical airlift services.

6 **Sec. 209.** 2010 2nd sp.s. c 1 s 209 (uncodified) is amended to read
7 as follows:

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

| | | |
|----|-------------------------------------------------------|--------------------------------|
| 10 | General Fund--State Appropriation (FY 2010) | \$10,327,000 |
| 11 | General Fund--State Appropriation (FY 2011) | ((\$10,045,000)) |
| 12 | | <u>\$9,443,000</u> |
| 13 | General Fund--Federal Appropriation | \$107,848,000 |
| 14 | Telecommunications Devices for the Hearing and | |
| 15 | Speech Impaired--State Appropriation | ((\$5,976,000)) |
| 16 | | <u>\$6,056,000</u> |
| 17 | TOTAL APPROPRIATION | ((\$134,196,000)) |
| 18 | | <u>\$133,674,000</u> |

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

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

27 (2) \$80,000 of the telecommunications devices for the hearing and
28 speech impaired account--state appropriation is provided solely for the
29 office of deaf and hard of hearing to enter into an interagency
30 agreement with the department of services for the blind to support
31 contracts for services that provide employment support and help with
32 life activities for deaf-blind individuals in King county.

33 **Sec. 210.** 2010 2nd sp.s. c 1 s 210 (uncodified) is amended to read
34 as follows:

35 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--SPECIAL COMMITMENT**

1 (3) \$178,000 of the general fund--state appropriation for fiscal
2 year 2010 and \$178,000 of the general fund--state appropriation for
3 fiscal year 2011 are provided solely for the juvenile detention
4 alternatives initiative.

5 (4) Amounts appropriated in this section reflect a reduction to the
6 family policy council. The family policy council shall reevaluate
7 staffing levels and administrative costs to ensure to the extent
8 possible a maximum ratio of grant moneys provided and administrative
9 costs.

10 (5) Amounts appropriated in this section reflect a reduction to the
11 council on children and families. The council on children and families
12 shall reevaluate staffing levels and administrative costs to ensure to
13 the extent possible a maximum ratio of grant moneys provided and
14 administrative costs.

15 **Sec. 212.** 2010 1st sp.s. c 37 s 213 (uncodified) is amended to
16 read as follows:

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

| | | |
|----|-------------------------------------------------------|----------------------------|
| 19 | General Fund--State Appropriation (FY 2010) | \$61,985,000 |
| 20 | General Fund--State Appropriation (FY 2011) | (\$61,461,000) |
| 21 | | <u>\$64,793,000</u> |
| 22 | General Fund--Federal Appropriation | \$56,572,000 |
| 23 | TOTAL APPROPRIATION | (\$180,018,000) |
| 24 | | <u>\$183,350,000</u> |

25 **Sec. 213.** 2010 2nd sp.s. c 1 s 212 (uncodified) is amended to read
26 as follows:

27 **FOR THE STATE HEALTH CARE AUTHORITY**

| | | |
|----|-------------------------------------------------------|----------------------------|
| 28 | General Fund--State Appropriation (FY 2010) | \$208,258,000 |
| 29 | General Fund--State Appropriation (FY 2011) | (\$129,087,000) |
| 30 | | <u>\$97,784,000</u> |
| 31 | General Fund--Federal Appropriation | (\$34,727,000) |
| 32 | | <u>\$15,812,000</u> |
| 33 | State Health Care Authority Administration Account-- | |
| 34 | State Appropriation | \$34,880,000 |
| 35 | Medical Aid Account--State Appropriation | \$527,000 |
| 36 | TOTAL APPROPRIATION | (\$407,479,000) |

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

(1) Within amounts appropriated in this section and sections 205 and 206 of this act, the health care authority shall continue to provide an enhanced basic health plan subsidy for foster parents licensed under chapter 74.15 RCW and workers in state-funded home care programs. Under this enhanced subsidy option, foster parents eligible to participate in the basic health plan as subsidized enrollees and home care workers with family incomes below 200 percent of the federal poverty level shall be allowed to enroll in the basic health plan at the minimum premium amount charged to enrollees with incomes below sixty-five percent of the federal poverty level.

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

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

(4)(a) In order to maximize the funding appropriated for the basic health plan, the health care authority is directed to make

1 modifications that will reduce the total number of subsidized enrollees
2 to approximately 65,000 by January 1, 2010. In addition to the reduced
3 enrollment, other modifications may include changes in enrollee premium
4 obligations, changes in benefits, enrollee cost-sharing, and
5 termination of the enrollment of individuals concurrently enrolled in
6 a medical assistance program as provided in Substitute House Bill No.
7 2341.

8 (b) The health care authority shall coordinate with the department
9 of social and health services to negotiate a medicaid section 1115
10 waiver with the federal centers for medicare and medicaid services that
11 would provide matching funds for services provided to persons enrolled
12 in the basic health plan under chapter 70.47 RCW.

13 (c) If the waiver in (b) of this subsection is granted, the health
14 care authority may implement the waiver if it allows the program to
15 remain within appropriated levels, after providing notice of its terms
16 and conditions to the relevant policy and fiscal committees of the
17 legislature in writing thirty days prior to the planned implementation
18 date of the waiver.

19 (5) \$250,000 of the general fund--state appropriation for fiscal
20 year 2010 and \$250,000 of the general fund--state appropriation for
21 fiscal year 2011 are provided solely for the implementation of
22 Substitute Senate Bill No. 5360 (community collaboratives). If the
23 bill is not enacted by June 30, 2009, the amounts provided in this
24 section shall lapse.

25 (6) The authority shall seek public-private partnerships and
26 federal funds that are or may become available to implement health
27 information technology projects under the federal American recovery and
28 reinvestment act of 2009.

29 (7) \$20,000 of the general fund--state appropriation for fiscal
30 year 2010 and \$63,000 of the general fund--state appropriation for
31 fiscal year 2011 are provided solely for the implementation of chapter
32 220, Laws of 2010 (accountable care organizations).

33 **Sec. 214.** 2010 1st sp.s. c 37 s 215 (uncodified) is amended to
34 read as follows:

35 **FOR THE HUMAN RIGHTS COMMISSION**

| | | |
|----|-------------------------------------------------------|------------------------------|
| 36 | General Fund--State Appropriation (FY 2010) | \$2,638,000 |
| 37 | General Fund--State Appropriation (FY 2011) | ((\$2,511,000)) |

1 \$2,353,000
 2 General Fund--Federal Appropriation \$1,584,000
 3 TOTAL APPROPRIATION (~~(\$6,733,000)~~)
 4 \$6,575,000

5 **Sec. 215.** 2010 1st sp.s. c 37 s 217 (uncodified) is amended to
 6 read as follows:

7 **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

8 General Fund--State Appropriation (FY 2010) \$17,273,000
 9 General Fund--State Appropriation (FY 2011) (~~(\$17,843,000)~~)
 10 \$16,721,000
 11 General Fund--Federal Appropriation \$143,000
 12 General Fund--Private/Local Appropriation (~~(\$1,303,000)~~)
 13 \$1,378,000
 14 Death Investigations Account--State Appropriation \$148,000
 15 Municipal Criminal Justice Assistance Account--
 16 State Appropriation \$460,000
 17 Washington Auto Theft Prevention Authority Account--
 18 State Appropriation (~~(\$5,844,000)~~)
 19 \$6,432,000
 20 TOTAL APPROPRIATION (~~(\$43,014,000)~~)
 21 \$42,555,000

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

24 (1) \$1,191,000 of the general fund--state appropriation for fiscal
 25 year 2010 and \$1,191,000 of the general fund--state appropriation for
 26 fiscal year 2011 are provided solely for the Washington association of
 27 sheriffs and police chiefs to continue to develop, maintain, and
 28 operate the jail booking and reporting system (JBRS) and the statewide
 29 automated victim information and notification system (SAVIN).

30 (2) \$5,000,000 of the general fund--state appropriation for fiscal
 31 year 2010 and \$5,000,000 of the general fund--state appropriation for
 32 fiscal year 2011, are provided to the Washington association of
 33 sheriffs and police chiefs solely to verify the address and residency
 34 of registered sex offenders and kidnapping offenders under RCW
 35 9A.44.130. The Washington association of sheriffs and police chiefs
 36 shall:

1 (a) Enter into performance-based agreements with units of local
2 government to ensure that registered offender address and residency are
3 verified:

- 4 (i) For level I offenders, every twelve months;
- 5 (ii) For level II offenders, every six months; and
- 6 (iii) For level III offenders, every three months.

7 For the purposes of this subsection, unclassified offenders and
8 kidnapping offenders shall be considered at risk level I unless in the
9 opinion of the local jurisdiction a higher classification is in the
10 interest of public safety.

11 (b) Collect performance data from all participating jurisdictions
12 sufficient to evaluate the efficiency and effectiveness of the address
13 and residency verification program; and

14 (c) Submit a report on the effectiveness of the address and
15 residency verification program to the governor and the appropriate
16 committees of the house of representatives and senate by December 31,
17 each year.

18 The Washington association of sheriffs and police chiefs may retain up
19 to three percent of the amount provided in this subsection for the cost
20 of administration. Any funds not disbursed for address and residency
21 verification or retained for administration may be allocated to local
22 prosecutors for the prosecution costs associated with failing-to-
23 register offenses.

24 (3) \$30,000 of the general fund--state appropriation for fiscal
25 year 2010 is provided solely for the implementation of Second
26 Substitute House Bill No. 2078 (persons with developmental disabilities
27 in correctional facilities or jails). If the bill is not enacted by
28 June 30, 2009, the amount provided in this subsection shall lapse.

29 (4) \$171,000 of the general fund--local appropriation is provided
30 solely to purchase ammunition for the basic law enforcement academy.
31 Jurisdictions with one hundred or more full-time commissioned officers
32 shall reimburse to the criminal justice training commission the costs
33 of ammunition, based on the average cost of ammunition per cadet, for
34 cadets that they enroll in the basic law enforcement academy.

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

37 (6) \$1,500,000 of the general fund--state appropriation for fiscal

1 year 2011 is provided solely for continuing the enforcement of illegal
2 drug laws in the rural pilot project enforcement areas as set forth in
3 chapter 339, Laws of 2006.

4 **Sec. 216.** 2010 1st sp.s. c 37 s 218 (uncodified) is amended to
5 read as follows:

6 **FOR THE DEPARTMENT OF LABOR AND INDUSTRIES**

| | | |
|----|-----------------------------------------------------------------|---------------------------|
| 7 | General Fund--State Appropriation (FY 2010) | \$24,975,000 |
| 8 | General Fund--State Appropriation (FY 2011) | (\$19,336,000) |
| 9 | | <u>\$18,120,000</u> |
| 10 | General Fund--Federal Appropriation | (\$10,100,000) |
| 11 | | <u>\$11,316,000</u> |
| 12 | Asbestos Account--State Appropriation | \$923,000 |
| 13 | Electrical License Account--State Appropriation | \$36,977,000 |
| 14 | Farm Labor Revolving Account--Private/Local Appropriation . . . | \$28,000 |
| 15 | Worker and Community Right-to-Know Account-- | |
| 16 | State Appropriation | \$1,987,000 |
| 17 | Public Works Administration Account--State | |
| 18 | Appropriation | \$6,021,000 |
| 19 | Manufactured Home Installation Training Account-- | |
| 20 | State Appropriation | \$143,000 |
| 21 | Accident Account--State Appropriation | \$250,509,000 |
| 22 | Accident Account--Federal Appropriation | \$13,621,000 |
| 23 | Medical Aid Account--State Appropriation | \$249,232,000 |
| 24 | Medical Aid Account--Federal Appropriation | \$3,186,000 |
| 25 | Plumbing Certificate Account--State Appropriation | \$1,704,000 |
| 26 | Pressure Systems Safety Account--State Appropriation | \$4,144,000 |
| 27 | TOTAL APPROPRIATION | \$622,886,000 |

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

30 (1) Pursuant to RCW 43.135.055, the department is authorized to
31 increase fees related to factory assembled structures, contractor
32 registration, electricians, plumbers, asbestos removal, boilers,
33 elevators, and manufactured home installers. These increases are
34 necessary to support expenditures authorized in this section,
35 consistent with chapters 43.22, 18.27, 19.28, and 18.106 RCW, RCW
36 49.26.130, and chapters 70.79, 70.87, and 43.22A RCW.

1 (2) \$424,000 of the accident account--state appropriation and
2 \$76,000 of the medical aid account--state appropriation are provided
3 solely for implementation of a community agricultural worker safety
4 grant at the department of agriculture. The department shall enter
5 into an interagency agreement with the department of agriculture to
6 implement the grant.

7 (3) \$4,850,000 of the medical aid account--state appropriation is
8 provided solely to continue the program of safety and health as
9 authorized by RCW 49.17.210 to be administered under rules adopted
10 pursuant to chapter 34.05 RCW, provided that projects funded involve
11 workplaces insured by the medical aid fund, and that priority is given
12 to projects fostering accident prevention through cooperation between
13 employers and employees or their representatives.

14 (4) \$150,000 of the medical aid account--state appropriation is
15 provided solely for the department to contract with one or more
16 independent experts to evaluate and recommend improvements to the
17 rating plan under chapter 51.18 RCW, including analyzing how risks are
18 pooled, the effect of including worker premium contributions in
19 adjustment calculations, incentives for accident and illness
20 prevention, return-to-work practices, and other sound risk-management
21 strategies that are consistent with recognized insurance principles.

22 (5) The department shall continue to conduct utilization reviews of
23 physical and occupational therapy cases at the 24th visit. The
24 department shall continue to report performance measures and targets
25 for these reviews on the agency web site. The reports are due
26 September 30th for the prior fiscal year and must include the amount
27 spent and the estimated savings per fiscal year.

28 (6) The appropriations in this section reflect reductions in the
29 appropriations for the department of labor and industries'
30 administrative expenses. It is the intent of the legislature that
31 these reductions shall be achieved, to the greatest extent possible, by
32 reducing administrative costs only.

33 (7) \$500,000 of the accident account--state appropriation is
34 provided solely for the department to contract with one or more
35 independent experts to oversee and assist the department's
36 implementation of improvements to the rating plan under chapter 51.18
37 RCW, in collaboration with the department and with the department's
38 work group of retrospective rating and workers' compensation

1 stakeholders. The independent experts will validate the impact of
2 recommended changes on retrospective rating participants and
3 nonparticipants, confirm implementation technology changes, and provide
4 other implementation assistance as determined by the department.

5 (8) \$194,000 of the accident account--state appropriation and
6 \$192,000 of the medical aid account--state appropriation are provided
7 solely for implementation of Senate Bill No. 5346 (health care
8 administrative procedures).

9 (9) \$131,000 of the accident account--state appropriation and
10 \$128,000 of the medical aid account--state appropriation are provided
11 solely for implementation of Senate Bill No. 5613 (stop work orders).

12 (10) \$68,000 of the accident account--state appropriation and
13 \$68,000 of the medical aid account--state appropriation are provided
14 solely for implementation of Senate Bill No. 5688 (registered domestic
15 partners).

16 (11) \$320,000 of the accident account--state appropriation and
17 \$147,000 of the medical aid account--state appropriation are provided
18 solely for implementation of Senate Bill No. 5873 (apprenticeship
19 utilization).

20 (12) \$73,000 of the general fund--state appropriation for fiscal
21 year 2010, \$66,000 of the general fund--state appropriation for fiscal
22 year 2011, \$606,000 of the accident account--state appropriation, and
23 \$600,000 of the medical aid account--state appropriation are provided
24 solely for the implementation of House Bill No. 1555 (underground
25 economy).

26 (13) \$574,000 of the accident account--state appropriation and
27 \$579,000 of the medical account--state appropriation are provided
28 solely for the implementation of House Bill No. 1402 (industrial
29 insurance appeals).

30 (14) Within statutory guidelines, the boiler program shall explore
31 opportunities to increase program efficiency. Strategies may include
32 the consolidation of routine multiple inspections to the same site and
33 trip planning to ensure the least number of miles traveled.

34 (15) \$16,000 of the general fund--state appropriation for fiscal
35 year 2010 and \$50,000 of the general fund--state appropriation for
36 fiscal year 2011 are provided solely for the crime victims compensation
37 program to pay claims for mental health services for crime victim
38 compensation program clients who have an established relationship with

1 a mental health provider and subsequently obtain coverage under the
2 medicaid program or the medical care services program under chapter
3 74.09 RCW. Prior to making such payment, the program must have
4 determined that payment for the specific treatment or provider is not
5 available under the medicaid or medical care services program. In
6 addition, the program shall make efforts to contact any healthy options
7 or medical care services health plan in which the client may be
8 enrolled to help the client obtain authorization to pay the claim on an
9 out-of-network basis.

10 (16) \$48,000 of the accident account--state appropriation and
11 \$48,000 of the medical aid account--state appropriation are provided
12 solely for the implementation of Substitute House Bill No. 2789
13 (issuance of subpoenas for purposes of agency investigations of
14 underground economic activity). If the bill is not enacted by June 30,
15 2010, the amount provided in this subsection shall lapse.

16 (17) \$71,000 of the general fund--state appropriation for fiscal
17 year 2011 is provided solely for implementation of Senate Bill No. 6349
18 (farm internship program). If the bill is not enacted by June 30,
19 2010, the amount provided in this subsection shall lapse.

20 (18) \$127,000 of the general fund--state appropriation for fiscal
21 year 2010 and \$133,000 of the general fund--state appropriation for
22 fiscal year 2011 are provided solely for the department to provide
23 benefits in excess of the cap established by sections 1 and 2, chapter
24 122, Laws of 2010. These benefits shall be paid for claimants who were
25 determined eligible for and who were receiving crime victims'
26 compensation benefits because they were determined to be permanently
27 and totally disabled, as defined by RCW 51.08.160, prior to April 1,
28 2010. The director shall establish, by May 1, 2010, a process to aid
29 crime victims' compensation recipients in identifying and applying for
30 appropriate alternative benefit programs.

31 (19) \$155,000 of the public works administration account--state
32 appropriation is provided solely for the implementation of Engrossed
33 House Bill No. 2805 (offsite prefabricated items). If the bill is not
34 enacted by June 30, 2010, the amount provided in this subsection shall
35 lapse.

36 **Sec. 217.** 2010 1st sp.s. c 37 s 219 (uncodified) is amended to
37 read as follows:

1 **FOR THE INDETERMINATE SENTENCE REVIEW BOARD**

| | | |
|---|-------------------------------------------------------|--------------------------|
| 2 | General Fund--State Appropriation (FY 2010) | \$1,882,000 |
| 3 | General Fund--State Appropriation (FY 2011) | (\$1,864,000) |
| 4 | | <u>\$1,659,000</u> |
| 5 | TOTAL APPROPRIATION | (\$3,746,000) |
| 6 | | <u>\$3,541,000</u> |

7 **Sec. 218.** 2010 1st sp.s. c 37 s 220 (uncodified) is amended to
8 read as follows:

9 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

10 (1) HEADQUARTERS

| | | |
|----|-------------------------------------------------------|-------------|
| 11 | General Fund--State Appropriation (FY 2010) | \$1,913,000 |
| 12 | General Fund--State Appropriation (FY 2011) | \$1,865,000 |
| 13 | Charitable, Educational, Penal, and Reformatory | |
| 14 | Institutions Account--State Appropriation | \$10,000 |
| 15 | TOTAL APPROPRIATION | \$3,788,000 |

16 The appropriations in this subsection are subject to the following
17 conditions and limitations: In addition to other reductions, the
18 appropriations in this section reflect reductions targeted specifically
19 to state government administrative costs. These administrative
20 reductions shall be achieved, to the greatest extent possible, by
21 reducing those administrative costs that do not affect direct client
22 services or direct service delivery or programs.

23 (2) FIELD SERVICES

| | | |
|----|-------------------------------------------------------|--------------|
| 24 | General Fund--State Appropriation (FY 2010) | \$4,885,000 |
| 25 | General Fund--State Appropriation (FY 2011) | \$4,964,000 |
| 26 | General Fund--Federal Appropriation | \$2,382,000 |
| 27 | General Fund--Private/Local Appropriation | \$4,512,000 |
| 28 | Veterans Innovations Program Account--State | |
| 29 | Appropriation | \$897,000 |
| 30 | Veteran Estate Management Account--Private/Local | |
| 31 | Appropriation | \$1,072,000 |
| 32 | TOTAL APPROPRIATION | \$18,712,000 |

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

35 (a) The department shall collaborate with the department of social

1 and health services to identify and assist eligible general assistance
2 unemployable clients to access the federal department of veterans
3 affairs benefits.

4 (b) \$648,000 of the veterans innovations program account--state
5 appropriation is provided solely for the department to continue support
6 for returning combat veterans through the veterans innovation program,
7 including emergency financial assistance through the defenders' fund
8 and long-term financial assistance through the competitive grant
9 program.

10 (c) In addition to other reductions, the appropriations in this
11 section reflect reductions targeted specifically to state government
12 administrative costs. These administrative reductions shall be
13 achieved, to the greatest extent possible, by reducing those
14 administrative costs that do not affect direct client services or
15 direct service delivery or programs.

16 (3) INSTITUTIONAL SERVICES

| | | |
|----|-------------------------------------------------------|---------------------------|
| 17 | General Fund--State Appropriation (FY 2010) | \$3,318,000 |
| 18 | General Fund--State Appropriation (FY 2011) | (\$2,371,000) |
| 19 | | <u>\$1,793,000</u> |
| 20 | General Fund--Federal Appropriation | (\$50,353,000) |
| 21 | | <u>\$50,931,000</u> |
| 22 | General Fund--Private/Local Appropriation | \$34,189,000 |
| 23 | TOTAL APPROPRIATION | \$90,231,000 |

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

26 (a) In addition to other reductions, the appropriations in this
27 section reflect reductions targeted specifically to state government
28 administrative costs. These administrative reductions shall be
29 achieved, to the greatest extent possible, by reducing those
30 administrative costs that do not affect direct client services or
31 direct service delivery or programs.

32 (b) The reductions in this subsection shall be achieved through
33 savings from contract revisions and shall not impact the availability
34 of goods and services for residents of the three state veterans homes.

35 **Sec. 219.** 2010 2nd sp.s. c 1 s 213 (uncodified) is amended to read
36 as follows:

| | | |
|----|------------------------------------------------------------------|------------------------|
| 1 | FOR THE DEPARTMENT OF HEALTH | |
| 2 | General Fund--State Appropriation (FY 2010) | \$98,414,000 |
| 3 | General Fund--State Appropriation (FY 2011) | ((\$81,735,000)) |
| 4 | | <u>\$70,317,000</u> |
| 5 | General Fund--Federal Appropriation | \$564,379,000 |
| 6 | General Fund--Private/Local Appropriation | \$162,237,000 |
| 7 | Hospital Data Collection Account--State Appropriation | \$218,000 |
| 8 | Health Professions Account--State Appropriation | \$82,850,000 |
| 9 | Aquatic Lands Enhancement Account--State Appropriation | \$603,000 |
| 10 | Emergency Medical Services and Trauma Care Systems | |
| 11 | Trust Account--State Appropriation | \$13,206,000 |
| 12 | Safe Drinking Water Account--State Appropriation | \$2,731,000 |
| 13 | Drinking Water Assistance Account--Federal | |
| 14 | Appropriation | \$22,862,000 |
| 15 | Waterworks Operator Certification--State | |
| 16 | Appropriation | \$1,522,000 |
| 17 | Drinking Water Assistance Administrative Account-- | |
| 18 | State Appropriation | \$326,000 |
| 19 | State Toxics Control Account--State Appropriation | ((\$4,106,000)) |
| 20 | | <u>\$4,348,000</u> |
| 21 | Medical Test Site Licensure Account--State | |
| 22 | Appropriation | \$2,261,000 |
| 23 | Youth Tobacco Prevention Account--State Appropriation | \$1,512,000 |
| 24 | Public Health Supplemental Account--Private/Local | |
| 25 | Appropriation | \$3,804,000 |
| 26 | Community and Economic Development Fee Account--State | |
| 27 | Appropriation | \$298,000 |
| 28 | Accident Account--State Appropriation | \$292,000 |
| 29 | Medical Aid Account--State Appropriation | \$48,000 |
| 30 | Tobacco Prevention and Control Account--State | |
| 31 | Appropriation | \$41,196,000 |
| 32 | Biotoxin Account--State Appropriation | \$1,163,000 |
| 33 | TOTAL APPROPRIATION | ((\$1,085,763,000)) |
| 34 | | <u>\$1,074,587,000</u> |

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

37 (1) The department of health shall not initiate any services that
38 will require expenditure of state general fund moneys unless expressly

1 authorized in this act or other law. The department of health and the
2 state board of health shall not implement any new or amended rules
3 pertaining to primary and secondary school facilities until the rules
4 and a final cost estimate have been presented to the legislature, and
5 the legislature has formally funded implementation of the rules through
6 the omnibus appropriations act or by statute. The department may seek,
7 receive, and spend, under RCW 43.79.260 through 43.79.282, federal
8 moneys not anticipated in this act as long as the federal funding does
9 not require expenditure of state moneys for the program in excess of
10 amounts anticipated in this act. If the department receives
11 unanticipated unrestricted federal moneys, those moneys shall be spent
12 for services authorized in this act or in any other legislation that
13 provides appropriation authority, and an equal amount of appropriated
14 state moneys shall lapse. Upon the lapsing of any moneys under this
15 subsection, the office of financial management shall notify the
16 legislative fiscal committees. As used in this subsection,
17 "unrestricted federal moneys" includes block grants and other funds
18 that federal law does not require to be spent on specifically defined
19 projects or matched on a formula basis by state funds.

20 (2) In accordance with RCW 43.70.250 and 43.135.055, the department
21 is authorized to establish and raise fees in fiscal year 2011 as
22 necessary to meet the actual costs of conducting business and the
23 appropriation levels in this section. This authorization applies to
24 fees for the review of sewage tank designs, fees related to regulation
25 and inspection of farmworker housing, and fees associated with the
26 following professions: Acupuncture, dental, denturist, mental health
27 counselor, nursing, nursing assistant, optometry, radiologic
28 technologist, recreational therapy, respiratory therapy, social worker,
29 cardiovascular invasive specialist, and practitioners authorized under
30 chapter 18.240 RCW.

31 (3) Pursuant to RCW 43.135.055 and RCW 43.70.250, the department is
32 authorized to establish fees by the amount necessary to fully support
33 the cost of activities related to the administration of long-term care
34 worker certification. The department is further authorized to increase
35 fees by the amount necessary to implement the regulatory requirements
36 of the following bills: House Bill No. 1414 (health care assistants),
37 House Bill No. 1740 (dental residency licenses), and House Bill No.
38 1899 (retired active physician licenses).

1 (4) \$764,000 of the health professions account--state appropriation
2 is provided solely for the medical quality assurance commission to
3 maintain disciplinary staff and associated costs sufficient to reduce
4 the backlog of disciplinary cases and to continue to manage the
5 disciplinary caseload of the commission.

6 (5) \$57,000 of the general fund--state appropriation for fiscal
7 year 2010 and (~~(\$58,000)~~) \$54,000 of the general fund--state
8 appropriation for fiscal year 2011 are provided solely for the
9 midwifery licensure and regulatory program to offset a reduction in
10 revenue from fees. The department shall convene the midwifery advisory
11 committee on a quarterly basis to address issues related to licensed
12 midwifery. The appropriations in this section assume that the current
13 application and renewal fee for midwives shall be increased by fifty
14 dollars and all other fees for midwives be adjusted accordingly.

15 (6) Funding for the human papillomavirus vaccine shall not be
16 included in the department's universal vaccine purchase program in
17 fiscal year 2010. Remaining funds for the universal vaccine purchase
18 program shall be used to continue the purchase of all other vaccines
19 included in the program until May 1, 2010, at which point state funding
20 for the universal vaccine purchase program shall be discontinued.

21 (7) Beginning July 1, 2010, the department, in collaboration with
22 the department of social and health services, shall maximize the use of
23 existing federal funds, including section 317 of the federal public
24 health services act direct assistance as well as federal funds that may
25 become available under the American recovery and reinvestment act, in
26 order to continue to provide immunizations for low-income, nonmedicaid
27 eligible children up to three hundred percent of the federal poverty
28 level in state-sponsored health programs.

29 (8) The department shall eliminate outreach activities for the
30 health care directives registry and use the remaining amounts to
31 maintain the contract for the registry and minimal staffing necessary
32 to administer the basic entry functions for the registry.

33 (9) Funding in this section reflects a temporary reduction of
34 resources for the 2009-11 fiscal biennium for the state board of health
35 to conduct health impact reviews.

36 (10) Pursuant to RCW 43.135.055 and 43.70.125, the department is
37 authorized to adopt rules to establish a fee schedule to apply to
38 applicants for initial certification surveys of health care facilities

1 for purposes of receiving federal health care program reimbursement.
2 The fees shall only apply when the department has determined that
3 federal funding is not sufficient to compensate the department for the
4 cost of conducting initial certification surveys. The fees for initial
5 certification surveys may be established as follows: Up to \$1,815 for
6 ambulatory surgery centers, up to \$2,015 for critical access hospitals,
7 up to \$980 for end stage renal disease facilities, up to \$2,285 for
8 home health agencies, up to \$2,285 for hospice agencies, up to \$2,285
9 for hospitals, up to \$520 for rehabilitation facilities, up to \$690 for
10 rural health clinics, and up to \$7,000 for transplant hospitals.

11 (11) Funding for family planning grants for fiscal year 2011 is
12 reduced in the expectation that federal funding shall become available
13 to expand coverage of services for individuals through programs at the
14 department of social and health services. In the event that such
15 funding is not provided, the legislature intends to continue funding
16 through a supplemental appropriation at fiscal year 2010 levels.
17 (~~(\$4,500,000)~~) \$2,250,000 of the general fund--state appropriation is
18 provided solely for the department of health-funded family planning
19 clinic grants due to federal funding not becoming available.

20 (12) \$16,000,000 of the tobacco prevention and control account--
21 state appropriation is provided solely for local health jurisdictions
22 to conduct core public health functions as defined in RCW 43.70.514.

23 (13) \$100,000 of the health professions account appropriation is
24 provided solely for implementation of Substitute House Bill No. 1414
25 (health care assistants). If the bill is not enacted by June 30, 2009,
26 the amount provided in this subsection shall lapse.

27 (14) \$42,000 of the health professions account--state appropriation
28 is provided solely to implement Substitute House Bill No. 1740
29 (dentistry license issuance). If the bill is not enacted by June 30,
30 2009, the amount provided in this section shall lapse.

31 (15) \$23,000 of the health professions account--state appropriation
32 is provided solely to implement Second Substitute House Bill No. 1899
33 (retired active physician licenses). If the bill is not enacted by
34 June 30, 2009, the amount provided in this section shall lapse.

35 (16) \$12,000 of the general fund--state appropriation for fiscal
36 year 2010 and \$67,000 of the general fund--private/local appropriation
37 are provided solely to implement House Bill No. 1510 (birth

1 certificates). If the bill is not enacted by June 30, 2009, the amount
2 provided in this section shall lapse.

3 (17) \$31,000 of the health professions account is provided for the
4 implementation of Second Substitute Senate Bill No. 5850 (human
5 trafficking). If the bill is not enacted by June 2009, the amount
6 provided in this subsection shall lapse.

7 (18) \$282,000 of the health professions account is provided for the
8 implementation of Substitute Senate Bill No. 5752 (dentists cost
9 recovery). If the bill is not enacted by June 2009, the amount
10 provided in this subsection shall lapse.

11 (19) \$106,000 of the health professions account is provided for the
12 implementation of Substitute Senate Bill No. 5601 (speech language
13 assistants). If the bill is not enacted by June 2009, the amount
14 provided in this subsection shall lapse.

15 (20) Subject to existing resources, the department of health is
16 encouraged to examine, in the ordinary course of business, current and
17 prospective programs, treatments, education, and awareness of
18 cardiovascular disease that are needed for a thriving and healthy
19 Washington.

20 (21) \$390,000 of the health professions account--state
21 appropriation is provided solely to implement chapter 169, Laws of 2010
22 (nursing assistants). The amount provided in this subsection is from
23 fee revenue authorized by Engrossed Substitute Senate Bill No. 6582.

24 (22) \$10,000 of the health professions account--state appropriation
25 for fiscal year 2010 and \$40,000 of the health professions
26 account--state appropriation for fiscal year 2011 are provided solely
27 for the department to study cost effective options for collecting
28 demographic data related to the health care professions workforce to be
29 submitted to the legislature by December 1, 2010.

30 (23) \$66,000 of the health professions account--state appropriation
31 is provided solely to implement chapter 209, Laws of 2010 (pain
32 management).

33 (24) \$10,000 of the health professions account--state appropriation
34 is provided solely to implement chapter 92, Laws of 2010
35 (cardiovascular invasive specialists).

36 (25) \$23,000 of the general fund--state appropriation is provided
37 solely to implement chapter 182, Laws of 2010 (tracking ephedrine,
38 etc.).

1 (26) The department is authorized to coordinate a tobacco cessation
2 media campaign using all appropriate media with the purpose of
3 maximizing the use of quit-line services and youth smoking prevention.

4 (27) It is the intent of the legislature that the reductions in
5 appropriations to the AIDS/HIV programs shall be achieved, to the
6 greatest extent possible, by reducing those state government
7 administrative costs that do not affect direct client services or
8 direct service delivery or programs. The agency shall, to the greatest
9 extent possible, reduce spending in those areas that shall have the
10 least impact on implementing these programs.

11 (28) \$400,000 of the state toxics control account--state
12 appropriation is provided solely for granting to a willing local public
13 entity to provide emergency water supplies or water treatment for
14 households with individuals at high public health risk from nitrate-
15 contaminated wells in the lower Yakima basin.

16 (29) \$100,000 of the state toxics control account--state
17 appropriation is provided solely for an interagency contract to the
18 department of ecology to grant to agencies involved in improving
19 groundwater quality in the lower Yakima Valley. These agencies will
20 develop a local plan for improving water quality and reducing nitrate
21 contamination. The department of ecology will report to the
22 appropriate committees of the legislature and to the office of
23 financial management no later than December 1, 2010, summarizing
24 progress towards developing and implementing this plan.

25 **Sec. 220.** 2010 2nd sp.s. c 1 s 214 (uncodified) is amended to read
26 as follows:

27 **FOR THE DEPARTMENT OF CORRECTIONS**

28 (1) ADMINISTRATION AND SUPPORT SERVICES

| | |
|----------------------------------------------------------|---------------|
| 29 General Fund--State Appropriation (FY 2010) | \$55,772,000 |
| 30 General Fund--State Appropriation (FY 2011) | \$51,929,000 |
| 31 TOTAL APPROPRIATION | \$107,701,000 |

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

34 (a) Within funds appropriated in this section, the department shall
35 seek contracts for chemical dependency vendors to provide chemical
36 dependency treatment of offenders in corrections facilities, including

1 corrections centers and community supervision facilities, which have
2 demonstrated effectiveness in treatment of offenders and are able to
3 provide data to show a successful treatment rate.

4 (b) \$35,000 of the general fund--state appropriation for fiscal
5 year 2010 and \$35,000 of the general fund--state appropriation for
6 fiscal year 2011 are provided solely for the support of a statewide
7 council on mentally ill offenders that includes as its members
8 representatives of community-based mental health treatment programs,
9 current or former judicial officers, and directors and commanders of
10 city and county jails and state prison facilities. The council will
11 investigate and promote cost-effective approaches to meeting the long-
12 term needs of adults and juveniles with mental disorders who have a
13 history of offending or who are at-risk of offending, including their
14 mental health, physiological, housing, employment, and job training
15 needs.

16 (2) CORRECTIONAL OPERATIONS

| | | |
|----|-------------------------------------------------------|----------------------------------|
| 17 | General Fund--State Appropriation (FY 2010) | \$458,503,000 |
| 18 | General Fund--State Appropriation (FY 2011) | ((\$562,483,000)) |
| 19 | | <u>\$562,084,000</u> |
| 20 | General Fund--Federal Appropriation | ((\$186,719,000)) |
| 21 | | <u>\$186,651,000</u> |
| 22 | Washington Auto Theft Prevention Authority Account-- | |
| 23 | State Appropriation | \$5,936,000 |
| 24 | State Efficiency and Restructuring Account--State | |
| 25 | Appropriation | \$34,522,000 |
| 26 | TOTAL APPROPRIATION | ((\$1,248,163,000)) |
| 27 | | <u>\$1,247,696,000</u> |

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

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

36 (b) The department shall accomplish personnel reductions with the
37 least possible impact on correctional custody staff, community custody

1 staff, and correctional industries. For the purposes of this
2 subsection, correctional custody staff means employees responsible for
3 the direct supervision of offenders.

4 (c) During the 2009-11 biennium, when contracts are established or
5 renewed for offender pay phone and other telephone services provided to
6 inmates, the department shall select the contractor or contractors
7 primarily based on the following factors: (i) The lowest rate charged
8 to both the inmate and the person paying for the telephone call; and
9 (ii) the lowest commission rates paid to the department, while
10 providing reasonable compensation to cover the costs of the department
11 to provide the telephone services to inmates and provide sufficient
12 revenues for the activities funded from the institutional welfare
13 betterment account.

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

19 (e) A political subdivision which is applying for funding to
20 mitigate one-time impacts associated with construction or expansion of
21 a correctional institution, consistent with WAC 137-12A-030, may apply
22 for the mitigation funds in the fiscal biennium in which the impacts
23 occur or in the immediately succeeding fiscal biennium.

24 (f) Within amounts provided in this subsection, the department,
25 jointly with the department of social and health services, shall
26 identify the number of offenders released through the extraordinary
27 medical placement program, the cost savings to the department of
28 corrections, including estimated medical cost savings, and the costs
29 for medical services in the community incurred by the department of
30 social and health services. The department and the department of
31 social and health services shall jointly report to the office of
32 financial management and the appropriate fiscal committees of the
33 legislature by November 30, 2010.

34 (g) \$11,863,000 of the general fund--state appropriation for fiscal
35 year 2010, (~~(\$7,467,000)~~) \$7,953,000 of the general fund--state
36 appropriation for fiscal year 2011, and \$2,336,000 of the general fund-
37 private/local appropriation are provided solely for in-prison evidence-

1 based programs and for the reception diagnostic center program as part
2 of the offender re-entry initiative.

3 (h) The appropriations in this subsection are based on savings
4 assumed from the closure of the McNeil Island corrections center, the
5 Ahtanum View corrections center, and the Pine Lodge corrections center
6 for women.

7 (3) COMMUNITY SUPERVISION

| | | |
|----|-------------------------------------------------------|----------------------------|
| 8 | General Fund--State Appropriation (FY 2010) | \$150,729,000 |
| 9 | General Fund--State Appropriation (FY 2011) | (\$134,744,000) |
| 10 | | <u>\$134,840,000</u> |
| 11 | TOTAL APPROPRIATION | (\$285,473,000) |
| 12 | | <u>\$285,569,000</u> |

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

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

20 (b) \$2,083,000 of the general fund--state appropriation for fiscal
21 year 2010 and \$2,083,000 of the general fund--state appropriation for
22 fiscal year 2011 are provided solely to implement Senate Bill No. 5525
23 (state institutions/release). If the bill is not enacted by June 30,
24 2009, the amounts provided in this subsection shall lapse.

25 (c) The appropriations in this subsection are based upon savings
26 assumed from the implementation of Engrossed Substitute Senate Bill No.
27 5288 (supervision of offenders).

28 (d) \$2,791,000 of the general fund--state appropriation for fiscal
29 year 2010 and ~~(\$3,166,000)~~ \$2,680,000 of the general fund--state
30 appropriation for fiscal year 2011 are provided solely for evidence-
31 based community programs and for community justice centers as part of
32 the offender re-entry initiative.

33 (e) \$418,300 of the general fund--state appropriation for fiscal
34 year 2010 is provided solely for the purposes of settling all claims in
35 *Hilda Solis, Secretary of Labor, United States Department of Labor v.*
36 *State of Washington, Department of Corrections*, United States District
37 Court, Western District of Washington, Cause No. C08-cv-05362-RJB. The
38 expenditure of this amount is contingent on the release of all claims

1 in the case, and total settlement costs shall not exceed the amount
2 provided in this subsection. If settlement is not fully executed by
3 June 30, 2010, the amount provided in this subsection shall lapse.

4 (f) \$984,000 of the general fund--state appropriation for fiscal
5 year 2011 is provided solely for supplemental services that will be
6 provided to offenders in lieu of a prison sentence, pursuant to chapter
7 224, Laws of 2010 (confinement alternatives).

8 (4) CORRECTIONAL INDUSTRIES

| | | |
|----|-------------------------------------------------------|-------------|
| 9 | General Fund--State Appropriation (FY 2010) | \$2,574,000 |
| 10 | General Fund--State Appropriation (FY 2011) | \$2,441,000 |
| 11 | TOTAL APPROPRIATION | \$5,015,000 |

12 The appropriations in this subsection are subject to the following
13 conditions and limitations: \$132,000 of the general fund--state
14 appropriation for fiscal year 2010 and \$132,000 of the general fund--
15 state appropriation for fiscal year 2011 are provided solely for
16 transfer to the jail industries board. The board shall use the amounts
17 provided only for administrative expenses, equipment purchases, and
18 technical assistance associated with advising cities and counties in
19 developing, promoting, and implementing consistent, safe, and efficient
20 offender work programs.

21 (5) INTERAGENCY PAYMENTS

| | | |
|----|-------------------------------------------------------|--------------|
| 22 | General Fund--State Appropriation (FY 2010) | \$40,728,000 |
| 23 | General Fund--State Appropriation (FY 2011) | \$38,629,000 |
| 24 | TOTAL APPROPRIATION | \$79,357,000 |

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

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

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

34 **Sec. 221.** 2010 1st sp.s. c 37 s 224 (uncodified) is amended to
35 read as follows:

1 **FOR THE DEPARTMENT OF SERVICES FOR THE BLIND**

| | | |
|---|-------------------------------------------------------|---------------------------|
| 2 | General Fund--State Appropriation (FY 2010) | \$2,504,000 |
| 3 | General Fund--State Appropriation (FY 2011) | (\$2,390,000) |
| 4 | | <u>\$2,160,000</u> |
| 5 | General Fund--Federal Appropriation | \$18,116,000 |
| 6 | General Fund--Private/Local Appropriation | \$30,000 |
| 7 | TOTAL APPROPRIATION | (\$23,040,000) |
| 8 | | <u>\$22,810,000</u> |

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

14 **Sec. 222.** 2010 1st sp.s. c 37 s 225 (uncodified) is amended to
15 read as follows:

16 **FOR THE SENTENCING GUIDELINES COMMISSION**

| | | |
|----|-------------------------------------------------------|--------------------------|
| 17 | General Fund--State Appropriation (FY 2010) | \$962,000 |
| 18 | General Fund--State Appropriation (FY 2011) | (\$948,000) |
| 19 | | <u>\$844,000</u> |
| 20 | TOTAL APPROPRIATION | (\$1,910,000) |
| 21 | | <u>\$1,806,000</u> |

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

24 (1) Within the amounts appropriated in this section, the sentencing
25 guidelines commission, in partnership with the courts, shall develop a
26 plan to implement an evidence-based system of community custody for
27 adult felons that will include the consistent use of evidence-based
28 risk and needs assessment tools, programs, supervision modalities, and
29 monitoring of program integrity. The plan for the evidence-based
30 system of community custody shall include provisions for identifying
31 cost-effective rehabilitative programs; identifying offenders for whom
32 such programs would be cost-effective; monitoring the system for cost-
33 effectiveness; and reporting annually to the legislature. In
34 developing the plan, the sentencing guidelines shall consult with: The
35 Washington state institute for public policy; the legislature; the
36 department of corrections; local governments; prosecutors; defense
37 attorneys; victim advocate groups; law enforcement; the Washington

1 federation of state employees; and other interested entities. The
2 sentencing guidelines commission shall report its recommendations to
3 the governor and the legislature by December 1, 2009.

4 (2)(a) Except as provided in subsection (b), during the 2009-11
5 biennium, the reports required by RCW 9.94A.480(2) and 9.94A.850(2) (d)
6 and (h) shall be prepared within the available funds and may be delayed
7 or suspended at the discretion of the commission.

8 (b) The commission shall submit the analysis described in section
9 15 of Engrossed Substitute Senate Bill No. 5288 no later than December
10 1, 2011.

11 (3) Within the amounts appropriated in this section, the sentencing
12 guidelines commission shall survey the practices of other states
13 relating to offenders who violate any conditions of their community
14 custody. In conducting the survey, the sentencing guidelines
15 commission shall perform a review of the research studies to determine
16 if a mandatory minimum confinement policy is an evidence-based
17 practice, investigate the implementation of such a policy in other
18 states, and estimate the fiscal impacts of implementing such a policy
19 in Washington state. The sentencing guidelines commission shall report
20 its findings to the governor and the legislature by December 1, 2010.

21 **Sec. 223.** 2010 1st sp.s. c 37 s 226 (uncodified) is amended to
22 read as follows:

23 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

| | | |
|----|---------------------------------------------------------------|----------------------------|
| 24 | General Fund--State Appropriation (FY 2010) | \$2,054,000 |
| 25 | General Fund--State Appropriation (FY 2011) | (\$5,053,000) |
| 26 | | <u>\$4,735,000</u> |
| 27 | General Fund--Federal Appropriation | \$324,135,000 |
| 28 | General Fund--Private/Local Appropriation | \$33,640,000 |
| 29 | Unemployment Compensation Administration Account-- | |
| 30 | Federal Appropriation | \$362,740,000 |
| 31 | Administrative Contingency Account--State Appropriation . . . | \$345,000 |
| 32 | Employment Service Administrative Account--State | |
| 33 | Appropriation | \$37,775,000 |
| 34 | TOTAL APPROPRIATION | (\$765,742,000) |
| 35 | | <u>\$765,424,000</u> |

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

1 (1) \$59,829,000 of the unemployment compensation administration
2 account--federal appropriation is provided from amounts made available
3 to the state by section 903(d) and (f) of the social security act (Reed
4 act). This amount is authorized to continue current unemployment
5 insurance functions and department services to employers and job
6 seekers.

7 (2) \$32,067,000 of the unemployment compensation administration
8 account--federal appropriation is provided from amounts made available
9 to the state by section 903(d) and (f) of the social security act (Reed
10 act). This amount is authorized to fund the replacement of the
11 unemployment insurance tax information system (TAXIS) for the
12 employment security department. This section is subject to section 902
13 of this act.

14 (3) \$110,000 of the unemployment compensation administration
15 account--federal appropriation is provided solely for implementation of
16 Senate Bill No. 5804 (leaving part time work voluntarily).

17 (4) \$1,263,000 of the unemployment compensation administration
18 account--federal appropriation is provided solely for implementation of
19 Senate Bill No. 5963 (unemployment insurance).

20 (5) \$159,000 of the unemployment compensation account--federal
21 appropriation is provided solely for the implementation of House Bill
22 No. 1555 (underground economy) from funds made available to the state
23 by section 903(d) of the social security act (Reed act).

24 (6) \$295,000 of the administrative contingency--state appropriation
25 for fiscal year 2010 is provided solely for the implementation of House
26 Bill No. 2227 (evergreen jobs act).

27 (7) (~~(\$7,000,000)~~) \$2,000,000 of the general fund--state
28 appropriation for fiscal year 2010 (~~(is)~~) and \$4,682,000 of the general
29 fund--state appropriation for fiscal year 2011 are provided solely for
30 the implementation of Senate Bill No. 5809 (WorkForce employment and
31 training).

32 (8) \$444,000 of the unemployment compensation administration
33 account--federal appropriation is provided solely for the
34 implementation of Substitute Senate Bill No. 6524 (unemployment
35 insurance penalties and contribution rates) from funds made available
36 to the state by section 903 (d) or (f) of the social security act (Reed
37 12 act). If the bill is not enacted by June 30, 2010, the amount
38 provided in this subsection shall lapse.

1 (9) \$232,000 of the unemployment compensation administration
2 account--federal appropriation from funds made available to the state
3 by section 903(c) or (f) of the social security act (Reed act) is
4 provided solely for the implementation of Substitute House Bill No.
5 2789 (underground economic activity). If the bill is not enacted by
6 June 30, 2010, the amount provided in this subsection shall lapse.

(End of Part)

PART III
NATURAL RESOURCES

Sec. 301. 2010 2nd sp.s. c 1 s 302 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

| | |
|------------------------------------------------------------------------------------------------------------|---------------------------|
| General Fund--State Appropriation (FY 2010) | \$58,552,000 |
| General Fund--State Appropriation (FY 2011) | (\$46,925,000) |
| | <u>\$46,087,000</u> |
| General Fund--Federal Appropriation | \$82,079,000 |
| General Fund--Private/Local Appropriation | \$16,688,000 |
| Special Grass Seed Burning Research Account--State Appropriation | \$14,000 |
| Reclamation Account--State Appropriation | \$3,649,000 |
| Flood Control Assistance Account--State Appropriation | \$1,943,000 |
| State Emergency Water Projects Revolving Account-- State Appropriation | \$240,000 |
| Waste Reduction/Recycling/Litter Control--State Appropriation | \$12,467,000 |
| State Drought Preparedness Account--State Appropriation | \$4,000,000 |
| State and Local Improvements Revolving Account (Water Supply Facilities)--State Appropriation | \$424,000 |
| Freshwater Aquatic Algae Control Account--State Appropriation | \$508,000 |
| Water Rights Tracking System Account--State Appropriation | \$116,000 |
| Site Closure Account--State Appropriation | \$922,000 |
| Wood Stove Education and Enforcement Account--State Appropriation | (\$612,000) |
| | <u>\$582,000</u> |
| Worker and Community Right-to-Know Account--State Appropriation | \$1,663,000 |
| State Toxics Control Account--State Appropriation | \$106,642,000 |
| State Toxics Control Account--Private/Local Appropriation | \$379,000 |

| | | |
|----|-----------------------------------------------------------------|----------------------------|
| 1 | Local Toxics Control Account--State Appropriation | \$24,690,000 |
| 2 | Water Quality Permit Account--State Appropriation | \$37,018,000 |
| 3 | Underground Storage Tank Account--State | |
| 4 | Appropriation | \$3,270,000 |
| 5 | Biosolids Permit Account--State Appropriation | \$1,866,000 |
| 6 | Hazardous Waste Assistance Account--State | |
| 7 | Appropriation | \$5,880,000 |
| 8 | Air Pollution Control Account--State Appropriation | (\$2,111,000) |
| 9 | | <u>\$1,565,000</u> |
| 10 | Oil Spill Prevention Account--State Appropriation | \$10,599,000 |
| 11 | Air Operating Permit Account--State Appropriation | \$2,758,000 |
| 12 | Freshwater Aquatic Weeds Account--State Appropriation | \$1,693,000 |
| 13 | Oil Spill Response Account--State Appropriation | \$7,077,000 |
| 14 | Metals Mining Account--State Appropriation | \$14,000 |
| 15 | Water Pollution Control Revolving Account--State | |
| 16 | Appropriation | \$535,000 |
| 17 | Water Pollution Control Revolving Account--Federal | |
| 18 | Appropriation | \$2,210,000 |
| 19 | Water Rights Processing Account--State Appropriation | \$68,000 |
| 20 | TOTAL APPROPRIATION | (\$437,612,000) |
| 21 | | <u>\$436,198,000</u> |

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

24 (1) \$170,000 of the oil spill prevention account--state
25 appropriation is provided solely for a contract with the University of
26 Washington's sea grant program to continue an educational program
27 targeted to small spills from commercial fishing vessels, ferries,
28 cruise ships, ports, and marinas.

29 (2) \$240,000 of the woodstove education and enforcement account--
30 state appropriation is provided solely for citizen outreach efforts to
31 improve understanding of burn curtailments, the proper use of wood
32 heating devices, and public awareness of the adverse health effects of
33 woodsmoke pollution.

34 (3) \$3,000,000 of the general fund--private/local appropriation is
35 provided solely for contracted toxic-site cleanup actions at sites
36 where multiple potentially liable parties agree to provide funding.

37 (4) \$3,600,000 of the local toxics account--state appropriation is

1 provided solely for the standby emergency rescue tug stationed at Neah
2 Bay.

3 (5) \$811,000 of the state toxics account--state appropriation is
4 provided solely for oversight of toxic cleanup at facilities that
5 treat, store, and dispose of hazardous wastes.

6 (6) \$1,456,000 of the state toxics account--state appropriation is
7 provided solely for toxic cleanup at sites where willing parties
8 negotiate prepayment agreements with the department and provide
9 necessary funding.

10 (7) \$558,000 of the state toxics account--state appropriation and
11 \$3,000,000 of the local toxics account--state appropriation are
12 provided solely for grants and technical assistance to Puget Sound-area
13 local governments engaged in updating shoreline master programs.

14 (8) \$950,000 of the state toxics control account--state
15 appropriation is provided solely for measuring water and habitat
16 quality to determine watershed health and assist salmon recovery,
17 beginning in fiscal year 2011.

18 (9) RCW 70.105.280 authorizes the department to assess reasonable
19 service charges against those facilities that store, treat, incinerate,
20 or dispose of dangerous or extremely hazardous waste that involves both
21 a nonradioactive hazardous component and a radioactive component.
22 Service charges may not exceed the costs to the department in carrying
23 out the duties in RCW 70.105.280. The current service charges do not
24 meet the costs of the department to carry out its duties. Pursuant to
25 RCW 43.135.055 and 70.105.280, the department is authorized to increase
26 the service charges no greater than 18 percent for fiscal year 2010 and
27 no greater than 15 percent for fiscal year 2011. Such service charges
28 shall include all costs of public participation grants awarded to
29 qualified entities by the department pursuant to RCW 70.105D.070(5) for
30 facilities at which such grants are recognized as a component of a
31 community relations or public participation plan authorized or required
32 as an element of a consent order, federal facility agreement or agreed
33 order entered into or issued by the department pursuant to any federal
34 or state law governing investigation and remediation of releases of
35 hazardous substances. Public participation grants funded by such
36 service charges shall be in addition to, and not in place of, any other
37 grants made pursuant to RCW 70.105D.070(5). Costs for the public

1 participation grants shall be billed individually to the mixed waste
2 facility associated with the grant.

3 (10) The department is authorized to increase the following fees in
4 the 2009-2011 biennium as necessary to meet the actual costs of
5 conducting business and the appropriation levels in this section:
6 Environmental lab accreditation, dam safety and inspection, biosolids
7 permitting, air emissions new source review, and manufacturer
8 registration and renewal.

9 (11) \$63,000 of the state toxics control account--state
10 appropriation is provided solely for implementation of Substitute
11 Senate Bill No. 5797 (solid waste handling permits). If the bill is
12 not enacted by June 30, 2009, the amount provided in this subsection
13 shall lapse.

14 (12) \$225,000 of the general fund--state appropriation for fiscal
15 year 2010 (~~and \$193,000 of the general fund--state appropriation for~~
16 ~~fiscal year 2011 are~~) is provided solely for implementation of
17 Engrossed Second Substitute Bill No. 5560 (agency climate leadership).
18 If the bill is not enacted by June 30, 2009, the amounts provided in
19 this subsection shall lapse.

20 (13) \$150,000 of the general fund--state appropriation for fiscal
21 year 2010 and (~~(\$150,000)~~) \$141,000 of the general fund--state
22 appropriation for fiscal year 2011 are provided solely for watershed
23 planning implementation grants to continue ongoing efforts to develop
24 and implement water agreements in the Nooksack Basin and the Bertrand
25 watershed. These amounts are intended to support project
26 administration; monitoring; negotiations in the Nooksack watershed
27 between tribes, the department, and affected water users; continued
28 implementation of a flow augmentation project; plan implementation in
29 the Fishtrap watershed; and the development of a water bank.

30 (14) \$215,000 of the general fund--state appropriation for fiscal
31 year 2010 and (~~(\$235,000)~~) \$220,000 of the general fund--state
32 appropriation for fiscal year 2011 are provided solely to provide
33 watershed planning implementation grants for WRIA 32 to implement
34 Substitute House Bill No. 1580 (pilot local water management program).
35 If the bill is not enacted by June 30, 2009, the amounts provided in
36 this subsection shall lapse.

37 (15) \$200,000 of the general fund--state appropriation for fiscal
38 year 2010 and (~~(\$200,000)~~) \$187,000 of the general fund--state

1 appropriation for fiscal year 2011 are provided solely for the purpose
2 of supporting the trust water rights program and processing trust water
3 right transfer applications that improve instream flow.

4 (16)(a) The department shall convene a stock water working group
5 that includes: Legislators, four members representing agricultural
6 interests, three members representing environmental interests, the
7 attorney general or designee, the director of the department of ecology
8 or designee, the director of the department of agriculture or designee,
9 and affected federally recognized tribes shall be invited to send
10 participants.

11 (b) The group shall review issues surrounding the use of permit-
12 exempt wells for stock-watering purposes and may develop
13 recommendations for legislative action.

14 (c) The working group shall meet periodically and report its
15 activities and recommendations to the governor and the appropriate
16 legislative committees by December 1, 2009.

17 (17) \$73,000 of the water quality permit account--state
18 appropriation is provided solely to implement Substitute House Bill No.
19 1413 (water discharge fees). If the bill is not enacted by June 30,
20 2009, the amount provided in this subsection shall lapse.

21 (18) The department shall continue to work with the Columbia Snake
22 River irrigators' association to determine how seasonal water operation
23 and maintenance conservation can be utilized. In implementing this
24 proviso, the department shall also consult with the Columbia River
25 policy advisory group as appropriate.

26 (19) The department shall track any changes in costs, wages, and
27 benefits that would have resulted if House Bill No. 1716 (public
28 contract living wages), as introduced in the 2009 regular session of
29 the legislature, were enacted and made applicable to contracts and
30 related subcontracts entered into, renewed, or extended during the
31 2009-11 biennium. The department shall submit a report to the house of
32 representatives commerce and labor committee and the senate labor,
33 commerce, and consumer protection committee by December 1, 2011. The
34 report shall include data on any aggregate changes in wages and
35 benefits that would have resulted during the 2009-11 biennium.

36 (20) Within amounts appropriated in this section the department
37 shall develop recommendations by December 1, 2009, for a convenient and
38 effective mercury-containing light recycling program for residents,

1 small businesses, and small school districts throughout the state. The
2 department shall consider options including but not limited to, a
3 producer-funded program, a recycler-supported or recycle fee program,
4 a consumer fee at the time of purchase, general fund appropriations, or
5 a currently existing dedicated account. The department shall involve
6 and consult with stakeholders including persons who represent
7 retailers, waste haulers, recyclers, mercury-containing light
8 manufacturers or wholesalers, cities, counties, environmental
9 organizations and other interested parties. The department shall
10 report its findings and recommendations for a recycling program for
11 mercury-containing lights to the appropriate committees of the
12 legislature by December 1, 2009.

13 (21) \$140,000 of the freshwater aquatic algae control account--
14 state appropriation is provided solely for grants to cities, counties,
15 tribes, special purpose districts, and state agencies for capital and
16 operational expenses used to manage and study excessive saltwater algae
17 with an emphasis on the periodic accumulation of sea lettuce on Puget
18 Sound beaches.

19 (22) By December 1, 2009, the department in consultation with local
20 governments shall conduct a remedial action grant financing
21 alternatives report. The report shall address options for financing the
22 remedial action grants identified in the department's report, entitled
23 "House Bill 1761, Model Toxics Control Accounts Ten-Year Financing
24 Plan" and shall include but not be limited to the following: (a)
25 Capitalizing cleanup costs using debt insurance; (b) capitalizing
26 cleanup costs using prefunded cost-cap insurance; (c) other contractual
27 instruments with local governments; and (d) an assessment of overall
28 economic benefits of the remedial action grants funded using the
29 instruments identified in this section.

30 (23) \$220,000 of the site closure account--state appropriation is
31 provided solely for litigation expenses associated with the lawsuit
32 filed by energy solutions, inc., against the Northwest interstate
33 compact on low-level radioactive waste management and its executive
34 director.

35 (24) \$68,000 of the water rights processing account--state
36 appropriation is provided solely for implementation of Engrossed Second
37 Substitute Senate Bill No. 6267 (water rights processing). If the bill

1 is not enacted by June 30, 2010, the amount provided in this subsection
2 shall lapse.

3 (25) \$10,000 of the state toxics control account--state
4 appropriation is provided solely for implementation of Engrossed
5 Substitute Senate Bill No. 5543 (mercury-containing lights). If the
6 bill is not enacted by June 30, 2010, the amount provided in this
7 subsection shall lapse.

8 (26) \$300,000 of the state toxics control account--state
9 appropriation is provided solely for piloting and evaluating two
10 coordinated, multijurisdictional permitting teams for nontransportation
11 projects.

12 (27)(a) \$4,000,000 of the state drought preparedness account--state
13 appropriation is provided solely for response to a drought declaration
14 pursuant to chapter 43.83B RCW. If such a drought declaration occurs,
15 the department of ecology may provide funding to public bodies as
16 defined in RCW 43.83B.050 in connection with projects and measures
17 designed to alleviate drought conditions that may affect public health
18 and safety, drinking water supplies, agricultural activities, or fish
19 and wildlife survival.

20 (b) Projects or measures for which funding will be provided must be
21 connected with a water system, water source, or water body that is
22 receiving, or has been projected to receive, less than seventy-five
23 percent of normal water supply, as the result of natural drought
24 conditions. This reduction in water supply must be such that it is
25 causing, or will cause, undue hardship for the entities or fish or
26 wildlife depending on the water supply. The department shall issue
27 guidelines outlining grant program and matching fund requirements
28 within ten days of a drought declaration.

29 **Sec. 302.** 2010 2nd sp.s. c 1 s 303 (uncodified) is amended to read
30 as follows:

31 **FOR THE STATE PARKS AND RECREATION COMMISSION**

| | | |
|----|--------------------------------------------------------------|--------------|
| 32 | General Fund--State Appropriation (FY 2010) | \$23,176,000 |
| 33 | General Fund--State Appropriation (FY 2011) | \$18,309,000 |
| 34 | General Fund--Federal Appropriation | \$6,892,000 |
| 35 | General Fund--Private/Local Appropriation | \$73,000 |
| 36 | Winter Recreation Program Account--State Appropriation . . . | \$1,556,000 |
| 37 | Off Road Vehicle Account--State Appropriation | \$239,000 |

| | | |
|----|----------------------------------------------------------------|--------------------------------|
| 1 | Snowmobile Account--State Appropriation | \$4,842,000 |
| 2 | Aquatic Lands Enhancement Account--State Appropriation | \$368,000 |
| 3 | Recreation Resources Account--State Appropriation | ((\$9,802,000)) |
| 4 | | <u>\$9,469,000</u> |
| 5 | NOVA Program Account--State Appropriation | ((\$9,560,000)) |
| 6 | | <u>\$9,164,000</u> |
| 7 | Parks Renewal and Stewardship Account--State | |
| 8 | Appropriation | \$72,975,000 |
| 9 | Parks Renewal and Stewardship Account-- | |
| 10 | Private/Local Appropriation | \$300,000 |
| 11 | TOTAL APPROPRIATION | ((\$148,092,000)) |
| 12 | | <u>\$147,363,000</u> |

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

15 (1) \$79,000 of the general fund--state appropriation for fiscal
16 year 2010 and ((~~\$79,000~~)) \$74,000 of the general fund--state
17 appropriation for fiscal year 2011 are provided solely for a grant for
18 the operation of the Northwest avalanche center.

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

22 (3) With the passage of Substitute House Bill No. 2339 (state parks
23 system donation), the legislature finds that it has provided sufficient
24 funds to ensure that all state parks remain open during the 2009-11
25 biennium. The commission shall not close state parks unless the bill
26 is not enacted by June 30, 2009, or revenue collections are
27 insufficient to fund the ongoing operation of state parks. By January
28 10, 2010, the commission shall provide a report to the legislature on
29 their budget and resources related to operating parks for the remainder
30 of the biennium.

31 (4) The commission shall work with the department of general
32 administration to evaluate the commission's existing leases with the
33 intention of increasing net revenue to state parks. The commission
34 shall provide to the office of financial management and the legislative
35 fiscal committees no later than September 30, 2009, a list of leases
36 the commission proposes be managed by the department of general
37 administration.

1 are not limited to, support for personnel, information technology,
2 grant and contract management, invasive species work, legislative
3 coordination, and policy and administrative support of various boards
4 and councils.

5 **Sec. 304.** 2010 2nd sp.s. c 1 s 307 (uncodified) is amended to read
6 as follows:

7 **FOR THE DEPARTMENT OF FISH AND WILDLIFE**

| | | |
|----|----------------------------------------------------------------|----------------------------|
| 8 | General Fund--State Appropriation (FY 2010) | \$41,263,000 |
| 9 | General Fund--State Appropriation (FY 2011) | \$30,560,000 |
| 10 | General Fund--Federal Appropriation | (\$85,799,000) |
| 11 | | <u>\$88,799,000</u> |
| 12 | General Fund--Private/Local Appropriation | \$47,211,000 |
| 13 | Off Road Vehicle Account--State Appropriation | \$413,000 |
| 14 | Aquatic Lands Enhancement Account--State Appropriation . . . | \$6,739,000 |
| 15 | Recreational Fisheries Enhancement--State | |
| 16 | Appropriation | \$3,472,000 |
| 17 | Warm Water Game Fish Account--State Appropriation | \$2,861,000 |
| 18 | Eastern Washington Pheasant Enhancement Account-- | |
| 19 | State Appropriation | \$851,000 |
| 20 | Aquatic Invasive Species Enforcement Account--State | |
| 21 | Appropriation | \$207,000 |
| 22 | Aquatic Invasive Species Prevention Account-- State | |
| 23 | Appropriation | \$833,000 |
| 24 | Wildlife Account--State Appropriation | (\$86,878,000) |
| 25 | | <u>\$86,998,000</u> |
| 26 | Wildlife Account--Federal Appropriation | \$101,000 |
| 27 | Wildlife Account--Private/Local Appropriation | \$39,000 |
| 28 | Game Special Wildlife Account--State Appropriation | \$2,367,000 |
| 29 | Game Special Wildlife Account--Federal Appropriation | \$3,426,000 |
| 30 | Game Special Wildlife Account--Private/Local | |
| 31 | Appropriation | \$487,000 |
| 32 | Wildlife Rehabilitation Account--State Appropriation | \$269,000 |
| 33 | Regional Fisheries Salmonid Recovery Account-- | |
| 34 | Federal Appropriation | \$5,001,000 |
| 35 | Oil Spill Prevention Account--State Appropriation | \$876,000 |
| 36 | Oyster Reserve Land Account--State Appropriation | \$916,000 |
| 37 | TOTAL APPROPRIATION | (\$320,569,000) |

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

1 requests based on their contributions to protecting wild salmonid
2 stocks and meeting the recommendations of the HSRG; and (c) evaluate
3 whether the proposed requests are being made in the most cost effective
4 manner. The department shall provide a copy of the HSRG review to the
5 office of financial management with their agency budget proposal.

6 (4) Within existing funds, the department shall continue
7 implementing its capital program action plan dated September 1, 2007,
8 including the purchase of the necessary maintenance and support costs
9 for the capital programs and engineering tools. The department shall
10 report to the office of financial management and the appropriate
11 committees of the legislature, its progress in implementing the plan,
12 including improvements instituted in its capital program, by September
13 30, 2010.

14 (5) \$1,232,000 of the state wildlife account--state appropriation
15 is provided solely to implement Substitute House Bill No. 1778 (fish
16 and wildlife). If the bill is not enacted by June 30, 2009, the amount
17 provided in this subsection shall lapse.

18 (6) \$400,000 of the general fund--state appropriation for fiscal
19 year 2010 and \$400,000 of the general fund--state appropriation for
20 fiscal year 2011 are provided solely for a state match to support the
21 Puget Sound nearshore partnership between the department and the U.S.
22 army corps of engineers.

23 (7) \$50,000 of the general fund--state appropriation for fiscal
24 year 2010 and \$50,000 of the general fund--state appropriation for
25 fiscal year 2011 are provided solely for removal of derelict gear in
26 Washington waters.

27 (8) The department of fish and wildlife shall dispose of all Cessna
28 aircraft it currently owns. The proceeds from the aircraft shall be
29 deposited into the state wildlife account. Disposal of the aircraft
30 must occur no later than June 30, 2010. The department shall
31 coordinate with the department of natural resources on the installation
32 of fire surveillance equipment into its Partenavia aircraft. The
33 department shall make its Partenavia aircraft available to the
34 department of natural resources on a cost-reimbursement basis for its
35 use in coordinating fire suppression efforts. The two agencies shall
36 develop an interagency agreement that defines how they will share
37 access to the plane.

1 (9) \$50,000 of the general fund--state appropriation for fiscal
2 year 2010 is provided solely for an electron project fish passage study
3 consistent with the recommendations and protocols contained in the 2008
4 electron project downstream fish passage final report.

5 (10) \$60,000 of the general fund--state appropriation for fiscal
6 year 2010 and \$60,000 of the general fund--state appropriation for
7 fiscal year 2011 are provided solely for implementation of Engrossed
8 Second Substitute Bill No. 5560 (agency climate leadership). If the
9 bill is not enacted by June 30, 2009, the amounts provided in this
10 subsection shall lapse.

11 (11) If sufficient new revenues are not identified to continue
12 hatchery operations, within the constraints of legally binding tribal
13 agreements, the department shall dispose of, by removal, sale, lease,
14 reversion, or transfer of ownership, the following hatcheries:
15 McKernan, Colville, Omak, Bellingham, Arlington, and Mossyrock.
16 Disposal of the hatcheries must occur by June 30, 2011, and any
17 proceeds received from disposal shall be deposited in the state
18 wildlife account. Within available funds, the department shall provide
19 quarterly reports on the progress of disposal to the office of
20 financial management and the appropriate fiscal committees of the
21 legislature. The first report shall be submitted no later than
22 September 30, 2009.

23 (12) \$100,000 of the eastern Washington pheasant enhancement
24 account--state appropriation is provided solely for the department to
25 support efforts to enhance permanent and temporary pheasant habitat on
26 public and private lands in Grant, Franklin, and Adams counties. The
27 department may support efforts by entities including conservation
28 districts, nonprofit organizations, and landowners, and must require
29 such entities to provide significant nonstate matching resources, which
30 may be in the form of funds, material, or labor.

31 (13) Within the amounts appropriated in this section, the
32 department of fish and wildlife shall develop a method for allocating
33 its administrative and overhead costs proportionate to program fund
34 use. As part of its 2011-2013 biennial operating budget, the
35 department shall submit a decision package that rebalances expenditure
36 authority for all agency funds based upon proportionate contributions.

37 (14) Within the amounts appropriated in this section, the
38 department shall identify additional opportunities for partnerships in

1 order to keep fish hatcheries operational. Such partnerships shall aim
2 to maintain fish production and salmon recovery with less reliance on
3 state operating funds.

4 (15) Within the amounts appropriated in this section, the
5 department shall work with stakeholders to develop a long-term funding
6 model that sustains the department's work of conserving species and
7 habitat, providing sustainable recreational and commercial
8 opportunities and using sound business practices. The funding model
9 analysis shall assess the appropriate uses of each fund source and
10 whether the department's current and projected revenue levels are
11 adequate to sustain its current programs. The department shall report
12 its recommended funding model including supporting analysis and
13 stakeholder participation summary to the office of financial management
14 and the appropriate committees of the legislature by October 1, 2010.

15 (16) By October 1, 2010, the department shall enter into an
16 interagency agreement with the department of natural resources for land
17 management services for the department's wildlife conservation and
18 recreation lands. Land management services may include but are not
19 limited to records management, real estate services such as surveying,
20 and land acquisition and disposal services. The interagency agreement
21 shall describe business processes, service delivery expectations, cost,
22 and timing. In the agreement, the department shall define its roles
23 and responsibilities. A draft agreement shall be submitted to the
24 office of financial management and the appropriate fiscal committees of
25 the legislature by July 1, 2010.

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

30 (18) The department must work with appropriate stakeholders to
31 facilitate the disposition of salmon to best utilize the resource,
32 increase revenues to regional fisheries enhancement groups, and enhance
33 the provision of nutrients to food banks. By November 1, 2010, the
34 department must provide a report to the appropriate committees of the
35 legislature summarizing these discussions, outcomes, and
36 recommendations. After November 1, 2010, the department shall not
37 solicit or award a surplus salmon disposal contract without first

1 giving due consideration to implementing the recommendations developed
2 during the stakeholder process.

3 (19) \$50,000 of the general fund--state appropriation for fiscal
4 year 2011 is provided solely for increased fish production at Voight
5 Creek hatchery.

6 **Sec. 305.** 2010 2nd sp.s. c 1 s 308 (uncodified) is amended to read
7 as follows:

8 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

| | | |
|----|----------------------------------------------------------------|----------------------------|
| 9 | General Fund--State Appropriation (FY 2010) | \$48,822,000 |
| 10 | General Fund--State Appropriation (FY 2011) | (\$33,387,000) |
| 11 | | <u>\$37,348,000</u> |
| 12 | General Fund--Federal Appropriation | \$28,784,000 |
| 13 | General Fund--Private/Local Appropriation | \$2,369,000 |
| 14 | Forest Development Account--State Appropriation | \$41,640,000 |
| 15 | Off Road Vehicle Account--State Appropriation | \$4,406,000 |
| 16 | Surveys and Maps Account--State Appropriation | \$2,332,000 |
| 17 | Aquatic Lands Enhancement Account--State | |
| 18 | Appropriation | \$8,315,000 |
| 19 | Resources Management Cost Account--State | |
| 20 | Appropriation | \$78,704,000 |
| 21 | Surface Mining Reclamation Account--State | |
| 22 | Appropriation | \$3,494,000 |
| 23 | Disaster Response Account--State Appropriation | \$5,000,000 |
| 24 | Forest and Fish Support Account--State Appropriation | \$8,000,000 |
| 25 | Aquatic Land Dredged Material Disposal Site | |
| 26 | Account--State Appropriation | \$1,333,000 |
| 27 | Natural Resources Conservation Areas Stewardship | |
| 28 | Account--State Appropriation | \$184,000 |
| 29 | State Toxics Control Account--State Appropriation | \$720,000 |
| 30 | Air Pollution Control Account--State Appropriation | (\$568,000) |
| 31 | | <u>\$478,000</u> |
| 32 | NOVA Program Account--State Appropriation | \$974,000 |
| 33 | Derelict Vessel Removal Account--State Appropriation | \$1,749,000 |
| 34 | Agricultural College Trust Management Account-- | |
| 35 | State Appropriation | \$1,941,000 |
| 36 | TOTAL APPROPRIATION | (\$272,722,000) |
| 37 | | <u>\$276,593,000</u> |

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

3 (1) \$1,355,000 of the general fund--state appropriation for fiscal
4 year 2010 and \$349,000 of the general fund--state appropriation for
5 fiscal year 2011 are provided solely for deposit into the agricultural
6 college trust management account and are provided solely to manage
7 approximately 70,700 acres of Washington State University's
8 agricultural college trust lands.

9 (2) \$22,670,000 of the general fund--state appropriation for fiscal
10 year 2010, (~~(\$11,128,000)~~) \$15,089,000 of the general fund--state
11 appropriation for fiscal year 2011, and \$5,000,000 of the disaster
12 response account--state appropriation are provided solely for emergency
13 fire suppression. None of the general fund and disaster response
14 account amounts provided in this subsection may be used to fund agency
15 indirect and administrative expenses. Agency indirect and
16 administrative costs shall be allocated among the agency's remaining
17 accounts and appropriations. The department of natural resources shall
18 submit a quarterly report to the office of financial management and the
19 legislative fiscal committees detailing information on current and
20 planned expenditures from the disaster response account. This work
21 shall be done in coordination with the military department.

22 (3) \$5,000,000 of the forest and fish support account--state
23 appropriation is provided solely for adaptive management, monitoring,
24 and participation grants to tribes. If federal funding for this
25 purpose is reinstated, the amount provided in this subsection shall
26 lapse.

27 (4) \$600,000 of the derelict vessel removal account--state
28 appropriation is provided solely for removal of derelict and abandoned
29 vessels that have the potential to contaminate Puget Sound.

30 (5) \$666,000 of the general fund--federal appropriation is provided
31 solely to implement House Bill No. 2165 (forest biomass energy
32 project). If the bill is not enacted by June 30, 2009, the amount
33 provided in this subsection shall lapse.

34 (6) \$5,000 of the general fund--state appropriation for fiscal year
35 2010 and \$5,000 of the general fund--state appropriation for fiscal
36 year 2011 are provided solely to implement Substitute House Bill No.
37 1038 (specialized forest products). If the bill is not enacted by June
38 30, 2009, the amounts provided in this subsection shall lapse.

1 (7) \$440,000 of the state general fund--state appropriation for
2 fiscal year 2010 and \$440,000 of the state general fund--state
3 appropriation for fiscal year 2011 are provided solely for forest work
4 crews that support correctional camps and are contingent upon
5 continuing operations of Naselle youth camp at the level provided in
6 fiscal year 2008. The department shall consider using up to \$2,000,000
7 of the general fund--federal appropriation to support and utilize
8 correctional camp crews to implement natural resource projects approved
9 by the federal government for federal stimulus funding.

10 (8) The department of natural resources shall dispose of the King
11 Air aircraft it currently owns. Before disposal and within existing
12 funds, the department shall transfer specialized equipment for fire
13 surveillance to the department of fish and wildlife's Partenavia
14 aircraft. Disposal of the aircraft must occur no later than June 30,
15 2010, and the proceeds from the sale of the aircraft shall be deposited
16 into the forest and fish support account. ~~((No later than June 30,
17 2011, the department shall lease facilities in eastern Washington
18 sufficient to house the necessary aircraft, mechanics, and pilots used
19 for forest fire prevention and suppression.))~~

20 (9) \$30,000 of the general fund--state appropriation for fiscal
21 year 2010 and ~~((\$30,000))~~ \$28,000 of the general fund--state
22 appropriation for fiscal year 2011 are provided solely for
23 implementation of Engrossed Second Substitute Bill No. 5560 (agency
24 climate leadership). If the bill is not enacted by June 30, 2009, the
25 amounts provided in this subsection shall lapse.

26 (10) \$1,030,000 of the aquatic lands enhancement account--state
27 appropriation for fiscal year 2011 is provided solely for continuing
28 scientific studies already underway as part of the adaptive management
29 process. Funds may not be used to initiate new studies unless the
30 department secures new federal funding for the adaptive management
31 process.

32 (11) Within available funds, the department of natural resources
33 shall review the statutory method for determining aquatic lands lease
34 rates for private marinas, public marinas not owned and operated by
35 port districts, yacht clubs, and other entities leasing state land for
36 boat moorage. The review shall consider alternative methods for
37 determining rents for these entities for a fair distribution of rent,

1 consistent with the department management mandates for state aquatic
2 lands.

3 (12) (~~(\$40,000)~~) \$37,000 of the general fund--state appropriation
4 for fiscal year 2011 and \$100,000 of the aquatic lands enhancement
5 account--state appropriation are provided solely to install up to
6 twenty mooring buoys in Eagle Harbor and to remove abandoned boats,
7 floats, and other trespassing structures.

8 (13) By October 1, 2010, the department shall enter into an
9 interagency agreement with the department of fish and wildlife for
10 providing land management services on the department of fish and
11 wildlife's wildlife conservation and recreation lands. Land management
12 services may include but are not limited to records management, real
13 estate services such as surveying, and land acquisition and disposal
14 services. The interagency agreement shall describe business processes,
15 service delivery expectations, cost, and timing. A draft agreement
16 shall be submitted to the office of financial management and the
17 appropriate fiscal committees of the legislature by July 1, 2010.

18 (14) \$41,000 of the forest development account--state
19 appropriation, \$44,000 of the resources management cost account--state
20 appropriation, and \$2,000 of the agricultural college trust management
21 account--state appropriation are provided solely for the implementation
22 of Second Substitute House Bill No. 2481 (DNR forest biomass
23 agreements). If the bill is not enacted by June 30, 2010, the amount
24 provided in this subsection shall lapse.

25 **Sec. 306.** 2010 2nd sp.s. c 1 s 309 (uncodified) is amended to read
26 as follows:

27 **FOR THE DEPARTMENT OF AGRICULTURE**

| | | |
|----|-------------------------------------------------------------|-------------------------------|
| 28 | General Fund--State Appropriation (FY 2010) | \$12,320,000 |
| 29 | General Fund--State Appropriation (FY 2011) | ((\$15,830,000)) |
| 30 | | <u>\$18,922,000</u> |
| 31 | General Fund--Federal Appropriation | ((\$20,947,000)) |
| 32 | | <u>\$21,047,000</u> |
| 33 | General Fund--Private/Local Appropriation | \$193,000 |
| 34 | Aquatic Lands Enhancement Account--State | |
| 35 | Appropriation | ((\$2,551,000)) |
| 36 | | <u>\$2,564,000</u> |
| 37 | State Toxics Control Account--State Appropriation | \$4,724,000 |

1 Water Quality Permit Account--State Appropriation \$61,000
2 TOTAL APPROPRIATION ((~~\$56,626,000~~))
3 \$59,831,000

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

6 (1) \$350,000 of the aquatic lands enhancement account appropriation
7 is provided solely for funding to the Pacific county noxious weed
8 control board to eradicate remaining spartina in Willapa Bay.

9 (2) \$19,000 of the general fund--state appropriation for fiscal
10 year 2010 and \$6,000 of the general fund--state appropriation for
11 fiscal year 2011 are provided solely to implement Substitute Senate
12 Bill No. 5797 (solid waste handling permits). If the bill is not
13 enacted by June 30, 2009, the amounts provided in this subsection shall
14 lapse.

15 (3) The department is authorized to establish or increase the
16 following fees in the 2009-11 biennium as necessary to meet the actual
17 costs of conducting business: Christmas tree grower licensing, nursery
18 dealer licensing, plant pest inspection and testing, and commission
19 merchant licensing.

20 (4) ((~~\$5,420,000~~)) \$8,420,000 of the general fund--state
21 appropriation for fiscal year 2011 and \$2,782,000 of the general fund--
22 federal appropriation are provided solely for implementation of
23 Substitute Senate Bill No. 6341 (food assistance/department of
24 agriculture). Within amounts appropriated in this subsection, \$65,000
25 of the general fund--state appropriation for fiscal year 2011 is
26 provided solely for a contract with a food distribution program for
27 communities in the southwestern portion of the state and for workers
28 impacted by timber and salmon fishing closures and reductions. The
29 department may not charge administrative overhead or expenses to this
30 contract. If the bill is not enacted by June 30, 2010, the amounts
31 provided in this subsection shall lapse.

32 (5) The department shall, if public or private funds are available,
33 partner with eligible public and private entities with experience in
34 food collection and distribution to review funding sources for eight
35 full-time volunteers in the AmeriCorps VISTA program to conduct
36 outreach to local growers, agricultural donors, and community
37 volunteers. Public and private partners shall also be utilized to

1 coordinate gleaning unharvested tree fruits and fresh produce for
2 distribution to individuals throughout Washington state.

3 (6) When reducing laboratory activities and functions, the
4 department shall not impact any research or analysis pertaining to
5 bees.

6 **Sec. 307.** 2010 2nd sp.s. c 1 s 310 (uncodified) is amended to read
7 as follows:

8 **FOR THE PUGET SOUND PARTNERSHIP**

| | | |
|----|----------------------------------------------------------------|---------------------------|
| 9 | General Fund--State Appropriation (FY 2010) | \$3,143,000 |
| 10 | General Fund--State Appropriation (FY 2011) | (\$2,684,000) |
| 11 | | <u>\$2,184,000</u> |
| 12 | General Fund--Federal Appropriation | (\$7,214,000) |
| 13 | | <u>\$8,096,000</u> |
| 14 | Aquatic Lands Enhancement Account--State Appropriation | \$493,000 |
| 15 | State Toxics Control Account--State Appropriation | \$794,000 |
| 16 | TOTAL APPROPRIATION | (\$14,328,000) |
| 17 | | <u>\$14,710,000</u> |

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

20 (1) \$305,000 of the general fund--state appropriation for fiscal
21 year 2010 is provided solely for measuring water and habitat quality to
22 determine watershed health and assist salmon recovery.

23 (2) \$794,000 of the state toxics control account--state
24 appropriation is provided solely for activities that contribute to
25 Puget Sound protection and recovery, including provision of independent
26 advice and assessment of the state's oil spill prevention,
27 preparedness, and response programs, including review of existing
28 activities and recommendations for any necessary improvements. The
29 partnership may carry out this function through an existing committee,
30 such as the ecosystem coordination board or the leadership council, or
31 may appoint a special advisory council. Because this is a unique
32 statewide program, the partnership may invite participation from
33 outside the Puget Sound region.

34 (3) Within the amounts appropriated in this section, the Puget
35 Sound partnership shall facilitate an ongoing monitoring consortium to
36 integrate monitoring efforts for storm water, water quality, watershed

1 health, and other indicators to enhance monitoring efforts in Puget
2 Sound.

3 (4) The Puget Sound partnership shall work with Washington State
4 University and the environmental protection agency to secure funding
5 for the beach watchers program.

6 (5) \$839,000 of the general fund--state appropriation for fiscal
7 year 2010 and (~~(\$764,000)~~) \$264,000 of the general fund--state
8 appropriation for fiscal year 2011 are provided solely to support
9 public education and volunteer programs. The partnership is directed
10 to distribute the majority of funding as grants to local organizations,
11 local governments, and education, communication, and outreach network
12 partners. The partnership shall track progress for this activity
13 through the accountability system of the Puget Sound partnership.

14 (6) The Puget Sound partnership shall negotiate an agreement with
15 the recreation and conservation office to consolidate or share certain
16 administrative functions currently performed by each agency
17 independently. The agencies shall proportionately share the costs of
18 such shared functions. Examples of shared functions may include, but
19 are not limited to, support for personnel, information technology,
20 grant and contract management, invasive species work, legislative
21 coordination, and policy and administrative support of various boards
22 and councils.

(End of part)

PART IV
TRANSPORTATION

Sec. 401. 2010 1st sp.s. c 37 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

| | |
|-------------------------------------------------------|---------------------------|
| General Fund--State Appropriation (FY 2010) | \$1,436,000 |
| General Fund--State Appropriation (FY 2011) | (\$1,524,000) |
| | <u>\$1,322,000</u> |
| Architects' License Account--State Appropriation | \$923,000 |
| Professional Engineers' Account--State | |
| Appropriation | \$3,568,000 |
| Real Estate Commission Account--State Appropriation | \$9,987,000 |
| Master License Account--State Appropriation | \$15,718,000 |
| Uniform Commercial Code Account--State Appropriation | \$3,090,000 |
| Real Estate Education Account--State Appropriation | \$276,000 |
| Real Estate Appraiser Commission Account--State | |
| Appropriation | \$1,683,000 |
| Business and Professions Account--State Appropriation | \$15,188,000 |
| Real Estate Research Account--State Appropriation | \$471,000 |
| Geologists' Account--State Appropriation | \$53,000 |
| Derelict Vessel Removal Account--State Appropriation | \$31,000 |
| TOTAL APPROPRIATION | (\$53,948,000) |
| | <u>\$53,746,000</u> |

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

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

(2) \$1,352,000 of the business and professions account--state appropriation is provided solely to implement Substitute Senate Bill No. 5391 (tattoo and body piercing). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(3) \$358,000 of the business and professions account--state

1 appropriation is provided solely to implement Senate Bill No. 6126
2 (professional athletics). If the bill is not enacted by June 30, 2009,
3 the amount provided in this subsection shall lapse.

4 (4) \$151,000 of the real estate research account appropriation is
5 provided solely to implement chapter 156, Laws of 2010 (real estate
6 broker licensure fees).

7 (5) \$158,000 of the architects' license account--state
8 appropriation is provided solely to implement chapter 129, Laws of 2010
9 (architect licensing).

10 (6) \$60,000 of the master license account--state appropriation is
11 provided solely to implement chapter 174, Laws of 2010 (vaccine
12 association). The amount provided in this subsection shall be from fee
13 revenue authorized in chapter 174, Laws of 2010.

14 **Sec. 402.** 2010 1st sp.s. c 37 s 402 (uncodified) is amended to
15 read as follows:

16 **FOR THE STATE PATROL**

| | | |
|----|--------------------------------------------------------------|----------------------------|
| 17 | General Fund--State Appropriation (FY 2010) | \$38,977,000 |
| 18 | General Fund--State Appropriation (FY 2011) | (\$36,059,000) |
| 19 | | <u>\$33,292,000</u> |
| 20 | General Fund--Federal Appropriation | \$15,793,000 |
| 21 | General Fund--Private/Local Appropriation | \$4,986,000 |
| 22 | Death Investigations Account--State Appropriation | \$5,580,000 |
| 23 | Enhanced 911 Account--State Appropriation | \$603,000 |
| 24 | County Criminal Justice Assistance Account--State | |
| 25 | Appropriation | \$3,146,000 |
| 26 | Municipal Criminal Justice Assistance Account--State | |
| 27 | Appropriation | \$1,255,000 |
| 28 | Fire Service Trust Account--State Appropriation | \$131,000 |
| 29 | Disaster Response Account--State Appropriation | \$8,002,000 |
| 30 | Fire Service Training Account--State Appropriation | \$8,821,000 |
| 31 | Aquatic Invasive Species Enforcement Account--State | |
| 32 | Appropriation | \$54,000 |
| 33 | State Toxics Control Account--State Appropriation | \$509,000 |
| 34 | Fingerprint Identification Account--State | |
| 35 | Appropriation | \$10,454,000 |
| 36 | TOTAL APPROPRIATION | (\$134,370,000) |
| 37 | | <u>\$131,603,000</u> |

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

3 (1) \$200,000 of the fire service training account--state
4 appropriation is provided solely for two FTEs in the office of the
5 state director of fire protection to exclusively review K-12
6 construction documents for fire and life safety in accordance with the
7 state building code. It is the intent of this appropriation to provide
8 these services only to those districts that are located in counties
9 without qualified review capabilities.

10 (2) \$8,000,000 of the disaster response account--state
11 appropriation is provided solely for Washington state fire service
12 resource mobilization costs incurred in response to an emergency or
13 disaster authorized under RCW 43.43.960 and 43.43.964. The state
14 patrol shall submit a report quarterly to the office of financial
15 management and the legislative fiscal committees detailing information
16 on current and planned expenditures from this account. This work shall
17 be done in coordination with the military department.

18 (3) The 2010 legislature will review the use of king air planes by
19 the executive branch and the adequacy of funding in this budget
20 regarding maintaining and operating the planes to successfully
21 accomplish their mission.

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

28 (5) \$400,000 of the fire service training account--state
29 appropriation is provided solely for the firefighter apprenticeship
30 training program.

31 (6) \$48,000 of the fingerprint identification account--state
32 appropriation is provided solely to implement Substitute House Bill No.
33 1621 (consumer loan companies). If the bill is not enacted by June 30,
34 2009, the amounts provided in this subsection shall lapse.

35 (7) In accordance with RCW 43.43.942, 46.52.085, and 43.135.055,
36 the state patrol is authorized to increase the following fees in fiscal
37 year 2011 as necessary to meet the actual costs of conducting business

1 and the appropriation levels in this section: Collision records
2 requests; fire training academy courses; and fire training academy dorm
3 accommodations.

4 (8) \$24,000 of the fingerprint identification account--state
5 appropriation is provided solely for implementation of chapter 47, Laws
6 of 2010 (criminal background checks).

(End of part)

PART V
EDUCATION

Sec. 501. 2010 2nd sp.s. c 1 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

| | |
|-------------------------------------------------------|----------------------------|
| General Fund--State Appropriation (FY 2010) | \$35,415,000 |
| General Fund--State Appropriation (FY 2011) | (\$29,696,000) |
| | <u>\$29,996,000</u> |
| General Fund--Federal Appropriation | \$87,081,000 |
| TOTAL APPROPRIATION | (\$152,192,000) |
| | <u>\$152,492,000</u> |

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

(1) A maximum of \$23,096,000 of the general fund--state appropriation for fiscal year 2010 and \$19,570,000 of the general fund--state appropriation for fiscal year 2011 is for state agency operations.

(a) \$11,226,000 of the general fund--state appropriation for fiscal year 2010 and \$9,709,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

(i) Within the amounts provided in this subsection, the superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award.

(ii) Within amounts appropriated in this subsection (1)(a), the office of the superintendent of public instruction, consistent with WAC 392-121-182 (alternative learning experience requirements) which requires documentation of alternative learning experience student headcount and full-time equivalent (FTE) enrollment claimed for basic education funding, shall provide, monthly, accurate monthly headcount and FTE enrollments for students in alternative learning experience (ALE) programs as well as information about resident and serving districts.

1 (iii) Within amounts provided in this subsection (1)(a), the state
2 superintendent of public instruction shall share best practices with
3 school districts regarding strategies for increasing efficiencies and
4 economies of scale in school district noninstructional operations
5 through shared service arrangements and school district cooperatives,
6 as well as other practices.

7 (b) \$25,000 of the general fund--state appropriation for fiscal
8 year 2011 is provided to the office of the superintendent of public
9 instruction solely to convene a science, technology, engineering, and
10 mathematics (STEM) working group to develop a comprehensive plan with
11 a shared vision, goals, and measurable objectives to improve policies
12 and practices to ensure that a pathway is established for elementary
13 schools, middle schools, high schools, postsecondary degree programs,
14 and careers in the areas of STEM, including improving practices for
15 recruiting, preparing, hiring, retraining, and supporting teachers and
16 instructors while creating pathways to boost student success, close the
17 achievement gap, and prepare every student to be college and career
18 ready. The working group shall be composed of the director of STEM at
19 the office of the superintendent of public instruction who shall be the
20 chair of the working group, and at least one representative from the
21 state board of education, professional educator standards board, state
22 board of community and technical colleges, higher education
23 coordinating board, workforce training and education coordinating
24 board, the achievement gap oversight and accountability committee, and
25 others with appropriate expertise. The working group shall develop a
26 comprehensive plan and a report with recommendations, including a
27 timeline for specific actions to be taken, which is due to the governor
28 and the appropriate committees of the legislature by December 1, 2010.

29 (c) \$920,000 of the general fund--state appropriation for fiscal
30 year 2010 and \$491,000 of the general fund--state appropriation for
31 fiscal year 2011 are provided solely for research and development
32 activities associated with the development of options for new school
33 finance systems, including technical staff, reprogramming, and analysis
34 of alternative student funding formulae. Within this amount is
35 \$150,000 for the state board of education for further development of
36 accountability systems, and \$150,000 for the professional educator
37 standards board for continued development of teacher certification and
38 evaluation systems.

1 (d) \$965,000 of the general fund--state appropriation for fiscal
2 year 2010 and \$887,000 of the general fund--state appropriation for
3 fiscal year 2011 are provided solely for the operation and expenses of
4 the state board of education, including basic education assistance
5 activities.

6 (e) \$5,366,000 of the general fund--state appropriation for fiscal
7 year 2010 and \$3,103,000 of the general fund--state appropriation for
8 fiscal year 2011 are provided solely to the professional educator
9 standards board for the following:

10 (i) \$1,070,000 in fiscal year 2010 and \$985,000 in fiscal year 2011
11 are for the operation and expenses of the Washington professional
12 educator standards board;

13 (ii) \$4,106,000 of the general fund--state appropriation for fiscal
14 year 2010 and \$1,936,000 of the general fund--state appropriation for
15 fiscal year 2011 are for conditional scholarship loans and mentor
16 stipends provided through the alternative routes to certification
17 program administered by the professional educator standards board,
18 including the pipeline for paraeducators program and the retooling to
19 teach conditional loan programs. Funding within this subsection
20 (1)(f)(ii) is also provided for the recruiting Washington teachers
21 program.

22 (iii) \$102,000 of the general fund--state appropriation for fiscal
23 year 2010 is provided for the implementation of Second Substitute
24 Senate Bill No. 5973 (student achievement gap). \$94,000 of the general
25 fund--state appropriation for fiscal year 2011 is provided solely for
26 the ongoing work of the achievement gap oversight and accountability
27 committee and implementation of the committee's recommendations.

28 (f) \$1,349,000 of the general fund--state appropriation for fiscal
29 year 2010 and \$144,000 of the general fund--state appropriation for
30 fiscal year 2011 are provided solely for replacement of the
31 apportionment system, which includes the processes that collect school
32 district budget and expenditure information, staffing characteristics,
33 and the student enrollments that drive the funding process.

34 (g) \$1,140,000 of the general fund--state appropriation for fiscal
35 year 2010 and \$1,227,000 of the general fund-- state appropriation for
36 fiscal year 2011 are provided solely for the creation of a statewide
37 data base of longitudinal student information. This amount is

1 conditioned on the department satisfying the requirements in section
2 902 of this act.

3 (h) \$75,000 of the general fund--state appropriation for fiscal
4 year 2010 is provided solely to promote the financial literacy of
5 students. The effort will be coordinated through the financial
6 education public-private partnership. It is expected that
7 nonappropriated funds available to the public-private partnership will
8 be sufficient to continue financial literacy activities.

9 (i) To the maximum extent possible, in adopting new agency rules or
10 making any changes to existing rules or policies related to the fiscal
11 provisions in the administration of part V of this act, the office of
12 the superintendent of public instruction shall attempt to request
13 approval through the normal legislative budget process.

14 (j) \$44,000 of the general fund--state appropriation for fiscal
15 year 2010 and \$45,000 of the general fund--state appropriation for
16 fiscal year 2011 are provided solely for the implementation of
17 Substitute Senate Bill No. 5248 (enacting the interstate compact on
18 educational opportunity for military children).

19 (k) \$700,000 of the general fund--state appropriation for fiscal
20 year 2010 and \$700,000 of the general fund--state appropriation for
21 fiscal year 2011 are provided solely for the implementation of
22 Substitute Senate Bill No. 5410 (online learning).

23 (l) \$25,000 of the general fund--state appropriation for fiscal
24 year 2010 and \$12,000 of the general fund--state appropriation for
25 fiscal year 2011 are provided solely for project citizen, a program
26 sponsored by the national conference of state legislatures and the
27 center for civic education to promote participation in government by
28 middle school students.

29 (m) \$2,518,000 of the general fund--state appropriation for fiscal
30 year 2011 is provided solely for the implementation of Substitute House
31 Bill No. 2776 (K-12 education funding). If the bill is not enacted by
32 June 30, 2010, the amount provided in this subsection shall lapse.

33 (n) \$89,000 of the general fund--state appropriation for fiscal
34 year 2011 is provided solely for the implementation of Engrossed Second
35 Substitute House Bill No. 3026 (state and federal civil rights laws).
36 If the bill is not enacted by June 30, 2010, the amount provided in
37 this subsection shall lapse.

1 (o) Beginning in the 2010-11 school year, the superintendent of
2 public instruction shall require all districts receiving general
3 apportionment funding for alternative learning experience (ALE)
4 programs as defined in WAC 392-121-182 to provide separate financial
5 accounting of expenditures for the ALE programs offered in district or
6 with a provider, including but not limited to private companies and
7 multidistrict cooperatives.

8 (p) \$55,000 of the general fund--state appropriation for fiscal
9 year 2011 is provided to the office of the superintendent of public
10 instruction solely to convene a technical working group to establish
11 standards, guidelines, and definitions for what constitutes a basic
12 education program for highly capable students and the appropriate
13 funding structure for such a program, and to submit recommendations to
14 the legislature for consideration. The working group may convene
15 advisory subgroups on specific topics as necessary to assure
16 participation and input from a broad array of diverse stakeholders.
17 The working group must consult with and seek input from nationally
18 recognized experts; researchers and academics on the unique
19 educational, emotional, and social needs of highly capable students and
20 how to identify such students; representatives of national
21 organizations and associations for educators of or advocates for highly
22 capable students; school district representatives who are educators,
23 counselors, and classified school employees involved with highly
24 capable programs; parents of students who have been identified as
25 highly capable; representatives from the federally recognized tribes;
26 and representatives of cultural, linguistic, and racial minority groups
27 and the community of persons with disabilities. The working group
28 shall make recommendations to the quality education council and to
29 appropriate committees of the legislature by December 1, 2010. The
30 recommendations shall take into consideration that access to the
31 program for highly capable students is not an individual entitlement
32 for any particular student. The recommendations shall seek to minimize
33 underrepresentation of any particular demographic or socioeconomic
34 group by better identification, not lower standards or quotas, and
35 shall include the following:

36 (i) Standardized state-level identification procedures, standards,
37 criteria, and benchmarks, including a definition or definitions of a

1 highly capable student. Students who are both highly capable and are
2 students of color, are poor, or have a disability must be addressed;

3 (ii) Appropriate programs and services that have been shown by
4 research and practice to be effective with highly capable students but
5 maintain options and flexibility for school districts, where possible;

6 (iii) Program administration, management, and reporting
7 requirements for school districts;

8 (iv) Appropriate educator qualifications, certification
9 requirements, and professional development and support for educators
10 and other staff who are involved in programs for highly capable
11 students;

12 (v) Self-evaluation models to be used by school districts to
13 determine the effectiveness of the program and services provided by the
14 school district for highly capable programs;

15 (vi) An appropriate state-level funding structure; and

16 (vii) Other topics deemed to be relevant by the working group.

17 (q) (~~(\$500,000)~~) \$800,000 of the general fund--state appropriation
18 for fiscal year 2011 is provided solely for contracting with a college
19 scholarship organization with expertise in conducting outreach to
20 students concerning eligibility for the Washington college bound
21 scholarship consistent with chapter 405, Laws of 2007.

22 (r) \$24,000 of the general fund--state appropriation for fiscal
23 year 2010 is provided solely for implementation of Substitute Senate
24 Bill No. 6759 (requiring a plan for a voluntary program of early
25 learning as a part of basic education). If the bill is not enacted by
26 June 30, 2010, the amounts provided in this subsection (1)(r) shall
27 lapse.

28 (s) \$950,000 of the general fund--state appropriation for fiscal
29 year 2010 is provided solely for office of the attorney general costs
30 related to *McCleary v. State of Washington*.

31 (2) \$12,320,000 of the general fund--state appropriation for fiscal
32 year 2010, \$10,127,000 of the general fund--state appropriation for
33 fiscal year 2011, and \$55,890,000 of the general fund--federal
34 appropriation are for statewide programs.

35 (a) HEALTH AND SAFETY

36 (i) \$2,541,000 of the general fund--state appropriation for fiscal
37 year 2010 and \$2,381,000 of the general fund--state appropriation for
38 fiscal year 2011 are provided solely for a corps of nurses located at

1 educational service districts, as determined by the superintendent of
2 public instruction, to be dispatched to the most needy schools to
3 provide direct care to students, health education, and training for
4 school staff.

5 (ii) \$100,000 of the general fund--state appropriation for fiscal
6 year 2010 and \$94,000 of the general fund--state appropriation for
7 fiscal year 2011 are provided solely for a school safety training
8 program provided by the criminal justice training commission. The
9 commission, in collaboration with the school safety center advisory
10 committee, shall provide the school safety training for all school
11 administrators and school safety personnel, including school safety
12 personnel hired after the effective date of this section.

13 (iii) \$9,670,000 of the general fund--federal appropriation is
14 provided for safe and drug free schools and communities grants for drug
15 and violence prevention activities and strategies.

16 (iv) \$96,000 of the general fund--state appropriation for fiscal
17 year 2010 and \$90,000 of the general fund--state appropriation for
18 fiscal year 2011 are provided solely for the school safety center in
19 the office of the superintendent of public instruction subject to the
20 following conditions and limitations:

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

30 (B) The school safety center advisory committee shall develop a
31 training program, using the best practices in school safety, for all
32 school safety personnel.

33 (v) \$70,000 of the general fund--state appropriation for fiscal
34 year 2010 is provided solely for the youth suicide prevention program.

35 (vi) \$50,000 of the general fund--state appropriation for fiscal
36 year 2010 and \$47,000 of the general fund--state appropriation for
37 fiscal year 2011 are provided solely for a nonviolence and leadership
38 training program provided by the institute for community leadership.

1 (b) TECHNOLOGY

2 (i) \$1,842,000 of the general fund--state appropriation for fiscal
3 year 2010 and \$1,635,000 of the general fund--state appropriation for
4 fiscal year 2011 are provided solely for K-20 telecommunications
5 network technical support in the K-12 sector to prevent system failures
6 and avoid interruptions in school utilization of the data processing
7 and video-conferencing capabilities of the network. These funds may be
8 used to purchase engineering and advanced technical support for the
9 network.

10 (ii) \$1,475,000 of the general fund--state appropriation for fiscal
11 year 2010, \$1,045,000 of the general fund--state appropriation for
12 fiscal year 2011, and \$435,000 of the general fund--federal
13 appropriation are provided solely for implementing a comprehensive data
14 system to include financial, student, and educator data. The office of
15 the superintendent of public instruction will convene a data governance
16 group to create a comprehensive needs-requirement document, conduct a
17 gap analysis, and define operating rules and a governance structure for
18 K-12 data collections.

19 (c) GRANTS AND ALLOCATIONS

20 (i) \$1,329,000 of the general fund--state appropriation for fiscal
21 year 2010 and \$664,000 of the general fund--state appropriation for
22 fiscal year 2011 are provided solely for the special services pilot
23 project to include up to seven participating districts. The office of
24 the superintendent of public instruction shall allocate these funds to
25 the district or districts participating in the pilot program according
26 to the provisions of RCW 28A.630.016.

27 (ii) \$750,000 of the general fund--state appropriation for fiscal
28 year 2010 and \$750,000 of the general fund--state appropriation for
29 fiscal year 2011 are provided solely for the Washington state achievers
30 scholarship program. The funds shall be used to support community
31 involvement officers that recruit, train, and match community volunteer
32 mentors with students selected as achievers scholars.

33 (iii) \$25,000 of the general fund--state appropriation for fiscal
34 year 2010 is provided solely for developing and disseminating
35 curriculum and other materials documenting women's role in World War
36 II.

37 (iv) \$175,000 of the general fund--state appropriation for fiscal
38 year 2010 and \$87,000 of the general fund--state appropriation for

1 fiscal year 2011 are provided solely for incentive grants for districts
2 and pilot projects to develop preapprenticeship programs. Incentive
3 grant awards up to \$10,000 each shall be used to support the program's
4 design, school/business/labor agreement negotiations, and recruiting
5 high school students for preapprenticeship programs in the building
6 trades and crafts.

7 (v) \$2,898,000 of the general fund--state appropriation for fiscal
8 year 2010 and \$2,924,000 of the general fund--state appropriation for
9 fiscal year 2011 are provided solely for the dissemination of the
10 navigation 101 curriculum to all districts. The funding shall support
11 electronic student planning tools and software for analyzing the impact
12 of navigation 101 on student performance, as well as grants to a
13 maximum of one hundred school districts each year, based on progress
14 and need for the implementation of the navigation 101 program. The
15 implementation grants shall be awarded to a cross-section of school
16 districts reflecting a balance of geographic and demographic
17 characteristics. Within the amounts provided, the office of the
18 superintendent of public instruction will create a navigation 101
19 accountability model to analyze the impact of the program.

20 (vi) \$627,000 of the general fund--state appropriation for fiscal
21 year 2010 and \$225,000 of the general fund--state appropriation for
22 fiscal year 2011 are provided solely for implementation of a statewide
23 program for comprehensive dropout prevention, intervention, and
24 retrieval.

25 (vii) \$40,000 of the general fund--state appropriation for fiscal
26 year 2010 is provided solely for program initiatives to address the
27 educational needs of Latino students and families. Using the full
28 amounts of the appropriations under this subsection (2)(c)(vii), the
29 office of the superintendent of public instruction shall contract with
30 the Seattle community coalition of compana quetzal to provide for three
31 initiatives: (A) Early childhood education; (B) parent leadership
32 training; and (C) high school success and college preparation programs.

33 (viii) \$60,000 of the general fund--state appropriation for fiscal
34 year 2010 is provided solely for a pilot project to encourage bilingual
35 high school students to pursue public school teaching as a profession.
36 Using the full amounts of the appropriation under this subsection, the
37 office of the superintendent of public instruction shall contract with
38 the Latino/a educational achievement project (LEAP) to work with school

1 districts to identify and mentor not fewer than fifty bilingual
2 students in their junior year of high school, encouraging them to
3 become bilingual instructors in schools with high English language
4 learner populations. Students shall be mentored by bilingual teachers
5 and complete a curriculum developed and approved by the participating
6 districts.

7 (ix) \$145,000 of the general fund--state appropriation for fiscal
8 year 2010 and \$37,000 of the general fund--state appropriation for
9 fiscal year 2011 are provided solely to the office of the
10 superintendent of public instruction to enhance the reading skills of
11 students with dyslexia by implementing the findings of the dyslexia
12 pilot program. Funds shall be used to provide information and training
13 to classroom teachers and reading specialists, for development of a
14 dyslexia handbook, and to take other statewide actions to improve the
15 reading skills of students with dyslexia. The training program shall
16 be delivered regionally through the educational service districts.

17 (x) \$97,000 of the general fund--state appropriation for fiscal
18 year 2010 and \$48,000 of the general fund--state appropriation for
19 fiscal year 2011 are provided solely to support vocational student
20 leadership organizations.

21 (xi) \$100,000 of the general fund--state appropriation for fiscal
22 year 2011 is provided solely for drop-out prevention programs at the
23 office of the superintendent of public instruction including the jobs
24 for America's graduates (JAG) program.

25 **Sec. 502.** 2010 2nd sp.s. c 1 s 502 (uncodified) is amended to read
26 as follows:

27 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL**
28 **APPORTIONMENT**

| | | |
|----|-------------------------------------------------------|-------------------------------|
| 29 | General Fund--State Appropriation (FY 2010) | \$5,126,153,000 |
| 30 | General Fund--State Appropriation (FY 2011) | (\$4,912,103,000) |
| 31 | | <u>\$4,911,288,000</u> |
| 32 | General Fund--Federal Appropriation | \$208,098,000 |
| 33 | TOTAL APPROPRIATION | (\$10,246,354,000) |
| 34 | | <u>\$10,245,539,000</u> |

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

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

4 (b) The appropriations in this section include federal funds
5 provided through section 101 of Public Law No. 111-226 (education jobs
6 fund), which shall be used to support general apportionment program
7 funding. In distributing general apportionment allocations under this
8 section for the 2010-11 school year, the superintendent shall include
9 the entire allocation from the federal funds provided through section
10 101 of Public Law No. 111-226 (education jobs fund) as part of each
11 district's general apportionment allocation.

12 (2) Allocations for certificated staff salaries for the 2009-10 and
13 2010-11 school years shall be determined using formula-generated staff
14 units calculated pursuant to this subsection. Staff allocations for
15 small school enrollments in (e) through (g) of this subsection shall be
16 reduced for vocational full-time equivalent enrollments. Staff
17 allocations for small school enrollments in grades K-6 shall be the
18 greater of that generated under (a) of this subsection, or under (d)
19 and (e) of this subsection. Certificated staffing allocations shall be
20 as follows:

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

25 (i) Four certificated administrative staff units per thousand full-
26 time equivalent students in grades K-12;

27 (ii) For the 2009-10 school year and the portion of the 2010-11
28 school year from September 1, 2010, through January 31, 2011:

29 (A)(I) For districts that enroll fewer than 25 percent of their
30 total full-time equivalent student enrollment in grades K through three
31 in digital or online learning programs as defined in WAC 392-121-182,
32 as in effect on November 1, 2009, fifty-three and two-tenths
33 certificated instructional staff units per thousand full-time
34 equivalent students in grades K through three.

35 (II) For all other districts, a minimum of forty-nine certificated
36 instructional staff units per 1,000 full-time equivalent (FTE) students
37 in grades K through three, with additional certificated instructional

1 staff units to equal the documented staffing level in grades K through
2 three, up to a maximum of fifty-three and two-tenths certificated
3 instructional staff units per 1,000 FTE students.

4 (B)(I) For districts that enroll fewer than 25 percent of their
5 total full-time equivalent student enrollment in grade four in digital
6 or online learning programs defined in WAC 392-121-182 as in effect on
7 November 1, 2009: For the 2009-10 school year, fifty-three and two-
8 tenths certificated instructional staff units per thousand full-time
9 equivalent students in grade four, and for the portion of the 2010-11
10 school year from September 1, 2010, through January 31, 2011, forty-
11 seven and forty-three one-hundredths certificated instructional staff
12 units per thousand full-time equivalent students in grade four.

13 (II) For all other districts:

14 For the 2009-10 school year, a minimum of forty-six certificated
15 instructional staff units per 1,000 full-time equivalent (FTE) students
16 in grade four, and additional certificated instructional staff units to
17 equal the documented staffing level in grade four, up to a maximum of
18 fifty-three and two-tenths certificated instructional staff units per
19 1,000 FTE students.

20 For the portion of the 2010-11 school year from September 1, 2010,
21 through January 31, 2011, a minimum of forty-six certificated
22 instructional staff units per 1,000 full-time equivalent (FTE) students
23 in grade four, and additional certificated instructional staff units to
24 equal the documented staffing level in grade four, up to a maximum of
25 forty-seven and forty-three one-hundredths certificated instructional
26 staff units per 1,000 FTE students;

27 (iii) For the portion of the 2010-11 school year beginning February
28 1, 2010:

29 (A) Forty-nine certificated instructional staff units per thousand
30 full-time equivalent students in grades kindergarten through three;

31 (B) Forty-six certificated instructional staff units per thousand
32 full-time equivalent students in grade 4;

33 (iv) All allocations for instructional staff units per thousand
34 full-time equivalent students above forty-nine in grades kindergarten
35 through three and forty-six in grade four shall occur in apportionments
36 in the monthly periods prior to February 1, 2011;

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

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

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

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

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

16 (B) Middle school vocational STEM programs approved by the
17 superintendent of public instruction, a maximum of 0.92 certificated
18 instructional staff units and 0.8 certificated administrative staff
19 units for each 19.5 full-time equivalent vocational students; and

20 (C) Skills center programs meeting the standards for skills center
21 funding established in January 1999 by the superintendent of public
22 instruction with a waiver allowed for skills centers in current
23 operation that are not meeting this standard until the 2010-11 school
24 year, 0.92 certificated instructional staff units and 0.08 certificated
25 administrative units for each 16.67 full-time equivalent vocational
26 students;

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

32 (iii) Indirect cost charges by a school district to vocational-
33 secondary programs and vocational middle-school shall not exceed 15
34 percent of the combined basic education and vocational enhancement
35 allocations of state funds;

36 (d) For districts enrolling not more than twenty-five average
37 annual full-time equivalent students in grades K-8, and for small
38 school plants within any school district which have been judged to be

1 remote and necessary by the state board of education and enroll not
2 more than twenty-five average annual full-time equivalent students in
3 grades K-8:

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

9 (ii) For those enrolling students in grades 7 or 8, 1.68
10 certificated instructional staff units and 0.32 certificated
11 administrative staff units for enrollment of not more than five
12 students, plus one-tenth of a certificated instructional staff unit for
13 each additional student enrolled;

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

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

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

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

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

35 (ii) For all other small high schools under this subsection, nine
36 certificated instructional staff units and one-half of a certificated
37 administrative staff unit for the first sixty average annual full time
38 equivalent students, and additional staff units based on a ratio of

1 0.8732 certificated instructional staff units and 0.1268 certificated
2 administrative staff units per each additional forty-three and one-half
3 average annual full time equivalent students.

4 Units calculated under (f)(ii) of this subsection shall be reduced
5 by certificated staff units at the rate of forty-six certificated
6 instructional staff units and four certificated administrative staff
7 units per thousand vocational full-time equivalent students;

8 (g) For each nonhigh school district having an enrollment of more
9 than seventy annual average full-time equivalent students and less than
10 one hundred eighty students, operating a grades K-8 program or a grades
11 1-8 program, an additional one-half of a certificated instructional
12 staff unit; and

13 (h) For each nonhigh school district having an enrollment of more
14 than fifty annual average full-time equivalent students and less than
15 one hundred eighty students, operating a grades K-6 program or a grades
16 1-6 program, an additional one-half of a certificated instructional
17 staff unit.

18 (3) Allocations for classified salaries for the 2009-10 and 2010-11
19 school years shall be calculated using formula-generated classified
20 staff units determined as follows:

21 (a) For enrollments generating certificated staff unit allocations
22 under subsection (2)(e) through (h) of this section, one classified
23 staff unit for each 2.94 certificated staff units allocated under such
24 subsections;

25 (b) For all other enrollment in grades K-12, including vocational
26 full-time equivalent enrollments, one classified staff unit for each
27 58.75 average annual full-time equivalent students; and

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

32 (4) Fringe benefit allocations shall be calculated at a rate of
33 14.43 percent in the 2009-10 school year and 14.43 percent in the 2010-
34 11 school year for certificated salary allocations provided under
35 subsection (2) of this section, and a rate of 16.59 percent in the
36 2009-10 school year and 16.59 percent in the 2010-11 school year for
37 classified salary allocations provided under subsection (3) of this
38 section.

1 (5) Insurance benefit allocations shall be calculated at the
2 maintenance rate specified in section 504(2) of this act, based on the
3 number of benefit units determined as follows:

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

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

12 (6)(a) For nonemployee-related costs associated with each
13 certificated staff unit allocated under subsection (2)(a), (b), and (d)
14 through (g) of this section, there shall be provided a maximum of
15 \$10,179 per certificated staff unit in the 2009-10 school year and a
16 maximum of \$10,424 per certificated staff unit in the 2010-11 school
17 year.

18 (b) For nonemployee-related costs associated with each vocational
19 certificated staff unit allocated under subsection (2)(c)(i)(A) of this
20 section, there shall be provided a maximum of \$24,999 per certificated
21 staff unit in the 2009-10 school year and a maximum of \$25,399 per
22 certificated staff unit in the 2010-11 school year.

23 (c) For nonemployee-related costs associated with each vocational
24 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
25 section, there shall be provided a maximum of \$19,395 per certificated
26 staff unit in the 2009-10 school year and a maximum of \$19,705 per
27 certificated staff unit in the 2010-11 school year.

28 (7) Allocations for substitute costs for classroom teachers shall
29 be distributed at a maintenance rate of \$607.44 for the 2009-10 and
30 2010-11 school years per allocated classroom teachers exclusive of
31 salary increase amounts provided in section 504 of this act. Solely
32 for the purposes of this subsection, allocated classroom teachers shall
33 be equal to the number of certificated instructional staff units
34 allocated under subsection (2) of this section, multiplied by the ratio
35 between the number of actual basic education certificated teachers and
36 the number of actual basic education certificated instructional staff
37 reported statewide for the prior school year.

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

10 (9) Funding in this section is sufficient to provide additional
11 service year credits to educational staff associates pursuant to
12 chapter 403, Laws of 2007.

13 (10)(a) The superintendent may distribute a maximum of \$7,286,000
14 outside the basic education formula during fiscal years 2010 and 2011
15 as follows:

16 (i) For fire protection for school districts located in a fire
17 protection district as now or hereafter established pursuant to chapter
18 52.04 RCW, a maximum of \$567,000 may be expended in fiscal year 2010
19 and a maximum of \$576,000 may be expended in fiscal year 2011;

20 (ii) For summer vocational programs at skills centers, a maximum of
21 \$2,385,000 may be expended for the 2010 fiscal year and a maximum of
22 (~~(\$2,385,000)~~) \$600,000 for the 2011 fiscal year. 20 percent of each
23 fiscal year amount may carry over from one year to the next;

24 (iii) A maximum of \$403,000 may be expended for school district
25 emergencies; and

26 (iv) A maximum of \$485,000 (~~each~~) in fiscal year 2010, and a
27 maximum of \$455,000 in fiscal year 2011 may be expended for programs
28 providing skills training for secondary students who are enrolled in
29 extended day school-to-work programs, as approved by the superintendent
30 of public instruction. The funds shall be allocated at a rate not to
31 exceed \$500 per full-time equivalent student enrolled in those
32 programs.

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

36 (11) For purposes of RCW 84.52.0531, the increase per full-time
37 equivalent student is 4.0 percent from the 2008-09 school year to the

1 2009-10 school year and 4.0 percent from the 2009-10 school year to the
2 2010-11 school year.

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

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

11 (b) For the fourth through eighth school years following
12 consolidation, the difference between the basic education formula staff
13 units received by the districts for the school year prior to
14 consolidation and the basic education formula staff units after
15 consolidation pursuant to subsection (2)(a) through (h) of this section
16 shall be reduced in increments of twenty percent per year.

17 (13) General apportionment payments to the Steilacoom historical
18 school district shall reflect changes to operation of the Harriet
19 Taylor elementary school consistent with the timing of reductions in
20 correctional facility capacity and staffing.

21 (14) \$1,000,000 of the general fund--state appropriation for fiscal
22 year 2011 is provided solely for the superintendent for financial
23 contingency funds for eligible school districts. The financial
24 contingency funds shall be allocated to eligible districts in the form
25 of an advance of their respective general apportionment allocations.

26 (a) Eligibility:

27 The superintendent shall determine a district's eligibility for
28 receipt of financial contingency funds, and districts shall be eligible
29 only if the following conditions are met:

30 (i) A petition is submitted by the school district as provided in
31 RCW 28A.510.250 and WAC 392-121-436; and

32 (ii) The district's projected general fund balance for the month of
33 March is less than one-half of one percent of its budgeted general fund
34 expenditures as submitted to the superintendent for the 2010-11 school
35 year on the F-196 report.

36 (b) Calculations:

37 The superintendent shall calculate the financial contingency
38 allocation to each district as the lesser of:

- 1 (i) The amount set forth in the school district's resolution;
- 2 (ii) An amount not to exceed 10 percent of the total amount to
- 3 become due and apportionable to the district from September 1st through
- 4 August 31st of the current school year;
- 5 (iii) The highest negative monthly cash and investment balance of
- 6 the general fund between the date of the resolution and May 31st of the
- 7 school year based on projections approved by the county treasurer and
- 8 the educational service district.

9 (c) Repayment:

10 For any amount allocated to a district in state fiscal year 2011,

11 the superintendent shall deduct in state fiscal year 2012 from the

12 district's general apportionment the amount of the emergency

13 contingency allocation and any earnings by the school district on the

14 investment of a temporary cash surplus due to the emergency contingency

15 allocation. Repayments or advances will be accomplished by a reduction

16 in the school district's apportionment payments on or before June 30th

17 of the school year following the distribution of the emergency

18 contingency allocation. All disbursements, repayments, and outstanding

19 allocations to be repaid of the emergency contingency pool shall be

20 reported to the office of financial management and the appropriate

21 fiscal committees of the legislature on July 1st and January 1st of

22 each year.

23 **Sec. 503.** 2010 1st sp.s. c 37 s 505 (uncodified) is amended to

24 read as follows:

25 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION**

| | | |
|----|-------------------------------------------------------|--------------------------------|
| 26 | General Fund--State Appropriation (FY 2010) | \$317,116,000 |
| 27 | General Fund--State Appropriation (FY 2011) | ((\$296,747,000)) |
| 28 | | <u>\$296,441,000</u> |
| 29 | TOTAL APPROPRIATION | ((\$613,863,000)) |
| 30 | | <u>\$613,557,000</u> |

31 The appropriations in this section are subject to the following

32 conditions and limitations:

33 (1) Each general fund fiscal year appropriation includes such funds

34 as are necessary to complete the school year ending in the fiscal year

35 and for prior fiscal year adjustments.

36 (2) A maximum of \$878,000 of this fiscal year 2010 appropriation

37 and a maximum of ((~~\$892,000~~)) \$836,000 of the fiscal year 2011

1 appropriation may be expended for regional transportation coordinators
2 and related activities. The transportation coordinators shall ensure
3 that data submitted by school districts for state transportation
4 funding shall, to the greatest extent practical, reflect the actual
5 transportation activity of each district.

6 (3) Allocations for transportation of students shall be based on
7 reimbursement rates of \$48.15 per weighted mile in the 2009-10 school
8 year and \$48.37 per weighted mile in the 2010-11 school year exclusive
9 of salary and benefit adjustments provided in section 504 of this act.
10 Allocations for transportation of students transported more than one
11 radius mile shall be based on weighted miles as determined by
12 superintendent of public instruction multiplied by the per mile
13 reimbursement rates for the school year pursuant to the formulas
14 adopted by the superintendent of public instruction. Allocations for
15 transportation of students living within one radius mile shall be based
16 on the number of enrolled students in grades kindergarten through five
17 living within one radius mile of their assigned school multiplied by
18 the per mile reimbursement rate for the school year multiplied by 1.29.

19 (4) The office of the superintendent of public instruction shall
20 provide reimbursement funding to a school district only after the
21 superintendent of public instruction determines that the school bus was
22 purchased from the list established pursuant to RCW 28A.160.195(2) or
23 a comparable competitive bid process based on the lowest price quote
24 based on similar bus categories to those used to establish the list
25 pursuant to RCW 28A.160.195.

26 (5) The superintendent of public instruction shall base
27 depreciation payments for school district buses on the pre-sales tax
28 five-year average of lowest bids in the appropriate category of bus.
29 In the final year on the depreciation schedule, the depreciation
30 payment shall be based on the lowest bid in the appropriate bus
31 category for that school year.

32 (6) Funding levels in this section reflect reductions from the
33 implementation of Substitute House Bill No. 1292 (authorizing waivers
34 from the one hundred eighty-day school year requirement in order to
35 allow four-day school weeks).

36 **Sec. 504.** 2010 1st sp.s. c 37 s 506 (uncodified) is amended to
37 read as follows:

1 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE**
2 **PROGRAMS**

| | | |
|---|-------------------------------------------------------|--------------------------------|
| 3 | General Fund--State Appropriation (FY 2010) | \$3,159,000 |
| 4 | General Fund--State Appropriation (FY 2011) | ((\$3,159,000)) |
| 5 | | <u>\$7,111,000</u> |
| 6 | General Fund--Federal Appropriation | ((\$391,988,000)) |
| 7 | | <u>\$448,588,000</u> |
| 8 | TOTAL APPROPRIATION | ((\$398,306,000)) |
| 9 | | <u>\$458,858,000</u> |

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

12 (1) \$3,000,000 of the general fund--state appropriation for fiscal
13 year 2010 (~~and \$3,000,000 of the general fund--state appropriation for~~
14 ~~fiscal year 2011 are~~) is provided for state matching money for federal
15 child nutrition programs.

16 (2) \$100,000 of the general fund--state appropriation for fiscal
17 year 2010 (~~and \$100,000 of the 2011 fiscal year appropriation are~~) is
18 provided for summer food programs for children in low-income areas.

19 (3) \$59,000 of the general fund--state appropriation for fiscal
20 year 2010 (~~and \$59,000 of the general fund--state appropriation for~~
21 ~~fiscal year 2011 are~~) is provided solely to reimburse school districts
22 for school breakfasts served to students enrolled in the free or
23 reduced price meal program pursuant to chapter 287, Laws of 2005
24 (requiring school breakfast programs in certain schools).

25 (4) \$7,111,000 of the general fund--state appropriation for fiscal
26 year 2011 is provided solely for state matching money for federal child
27 nutrition programs, and may support the meals for kids program through
28 the following allowable uses:

29 (a) Elimination of breakfast copays and lunch copays for students
30 in grades kindergarten through third grade who are eligible for reduced
31 price lunch;

32 (b) Assistance to school districts for supporting summer food
33 service programs, and initiating new summer food service programs in
34 low-income areas; and

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

1 category includes (i) children birth through age two who are eligible
2 for the optional program for special education eligible developmentally
3 delayed infants and toddlers, and (ii) students eligible for the
4 mandatory special education program and who are age three or four, or
5 five and not yet enrolled in kindergarten; and (b) the second category
6 includes students who are eligible for the mandatory special education
7 program and who are age five and enrolled in kindergarten and students
8 age six through 21.

9 (5)(a) For the 2009-10 and 2010-11 school years, the superintendent
10 shall make allocations to each district based on the sum of:

11 (i) A district's annual average headcount enrollment of students
12 ages birth through four and those five year olds not yet enrolled in
13 kindergarten, as defined in subsection (4) of this section, multiplied
14 by the district's average basic education allocation per full-time
15 equivalent student, multiplied by 1.15; and

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

21 (b) For purposes of this subsection, "average basic education
22 allocation per full-time equivalent student" for a district shall be
23 based on the staffing ratios required by RCW 28A.150.260 and shall not
24 include enhancements, secondary vocational education, or small schools
25 in the 2009-10 school year. In the 2010-11 school year, the per
26 student allocation under this subsection (5)(b) shall include the same
27 factors as in the 2009-10 school year, but shall also include the
28 classified staff enhancements included in section 502(3)(b).

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

31 (a) "Annual average full-time equivalent basic education
32 enrollment" means the resident enrollment including students enrolled
33 through choice (RCW 28A.225.225) and students from nonhigh districts
34 (RCW 28A.225.210) and excluding students residing in another district
35 enrolled as part of an interdistrict cooperative program (RCW
36 28A.225.250).

37 (b) "Enrollment percent" means the district's resident special
38 education annual average enrollment, excluding the birth through age

1 four enrollment and those five year olds not yet enrolled in
2 kindergarten, as a percent of the district's annual average full-time
3 equivalent basic education enrollment.

4 Each district's general fund--state funded special education
5 enrollment shall be the lesser of the district's actual enrollment
6 percent or 12.7 percent.

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

16 (8) To the extent necessary, (~~(\$44,269,000)~~) \$45,269,000 of the
17 general fund--state appropriation and \$29,574,000 of the general fund--
18 federal appropriation are provided for safety net awards for districts
19 with demonstrated needs for special education funding beyond the
20 amounts provided in subsection (5) of this section. If the federal
21 safety net awards based on the federal eligibility threshold exceed the
22 federal appropriation in this subsection (8) in any fiscal year, the
23 superintendent shall expend all available federal discretionary funds
24 necessary to meet this need. Safety net funds shall be awarded by the
25 state safety net oversight committee subject to the following
26 conditions and limitations:

27 (a) The committee shall consider unmet needs for districts that can
28 convincingly demonstrate that all legitimate expenditures for special
29 education exceed all available revenues from state funding formulas.
30 In the determination of need, the committee shall also consider
31 additional available revenues from federal sources. Differences in
32 program costs attributable to district philosophy, service delivery
33 choice, or accounting practices are not a legitimate basis for safety
34 net awards. In the determination of need, the committee shall require
35 that districts demonstrate that they are maximizing their eligibility
36 for all state and federal revenues related to services for special
37 education-eligible students. Awards associated with (b) and (c) of

1 this subsection shall not exceed the total of a district's specific
2 determination of need.

3 (b) The committee shall then consider the extraordinary high cost
4 needs of one or more individual special education students.
5 Differences in costs attributable to district philosophy, service
6 delivery choice, or accounting practices are not a legitimate basis for
7 safety net awards.

8 (c) Using criteria developed by the committee, the committee shall
9 then consider extraordinary costs associated with communities that draw
10 a larger number of families with children in need of special education
11 services. The safety net awards to school districts shall be adjusted
12 to reflect amounts awarded under (b) of this subsection.

13 (d) The maximum allowable indirect cost for calculating safety net
14 eligibility may not exceed the federal restricted indirect cost rate
15 for the district plus one percent.

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

18 (f) Safety net awards shall be adjusted based on the percent of
19 potential medicaid eligible students billed as calculated by the
20 superintendent in accordance with chapter 318, Laws of 1999. The state
21 safety net oversight committee shall ensure that safety net
22 documentation and awards are based on current medicaid revenue amounts.

23 (g) The office of the superintendent of public instruction, at the
24 conclusion of each school year, shall recover safety net funds that
25 were distributed prospectively but for which districts were not
26 subsequently eligible.

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

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

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

36 (b) Staff of the office of the state auditor who shall be nonvoting
37 members of the committee; and

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

4 (11) The office of the superintendent of public instruction shall
5 review and streamline the application process to access safety net
6 funds, provide technical assistance to school districts, and annually
7 survey school districts regarding improvement to the process.

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

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

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

23 (15) \$262,000 of the general fund--state appropriation for fiscal
24 year 2010 and \$251,000 of the general fund--state appropriation for
25 fiscal year 2011 are provided solely for two additional full-time
26 equivalent staff to support the work of the safety net committee and to
27 provide training and support to districts applying for safety net
28 awards.

29 (16) \$50,000 of the general fund--state appropriation for fiscal
30 year 2010, \$50,000 of the general fund--state appropriation for fiscal
31 2011, and \$100,000 of the general fund--federal appropriation shall be
32 expended to support a special education ombudsman program within the
33 office of superintendent of public instruction.

34 **Sec. 506.** 2010 1st sp.s. c 37 s 508 (uncodified) is amended to
35 read as follows:

36 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE**

1 **DISTRICTS**

| | | |
|---|-------------------------------------------------------|---------------------------|
| 2 | General Fund--State Appropriation (FY 2010) | \$8,394,000 |
| 3 | General Fund--State Appropriation (FY 2011) | (\$8,319,000) |
| 4 | | <u>\$7,796,000</u> |
| 5 | TOTAL APPROPRIATION | (\$16,713,000) |
| 6 | | <u>\$16,190,000</u> |

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

9 (1) The educational service districts shall continue to furnish
10 financial services required by the superintendent of public instruction
11 and RCW 28A.310.190 (3) and (4).

12 (2) \$3,355,000 of the general fund--state appropriation for fiscal
13 year 2010 and \$3,355,000 of the general fund--state appropriation for
14 fiscal year 2011 are provided solely for regional professional
15 development related to mathematics and science curriculum and
16 instructional strategies. Funding shall be distributed among the
17 educational service districts in the same proportion as distributions
18 in the 2007-2009 biennium. Each educational service district shall use
19 this funding solely for salary and benefits for a certificated
20 instructional staff with expertise in the appropriate subject matter
21 and in professional development delivery, and for travel, materials,
22 and other expenditures related to providing regional professional
23 development support. The office of superintendent of public
24 instruction shall also allocate to each educational service district
25 additional amounts provided in section 504 of this act for compensation
26 increases associated with the salary amounts and staffing provided in
27 this subsection (2).

28 (3) The educational service districts, at the request of the state
29 board of education pursuant to RCW 28A.310.010 and 28A.310.340, may
30 receive and screen applications for school accreditation, conduct
31 school accreditation site visits pursuant to state board of education
32 rules, and submit to the state board of education post-site visit
33 recommendations for school accreditation. The educational service
34 districts may assess a cooperative service fee to recover actual plus
35 reasonable indirect costs for the purposes of this subsection.

36 **Sec. 507.** 2010 1st sp.s. c 37 s 511 (uncodified) is amended to
37 read as follows:

1 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY**
2 **CAPABLE STUDENTS**

| | | |
|---|-------------------------------------------------------|---------------------------|
| 3 | General Fund--State Appropriation (FY 2010) | \$9,189,000 |
| 4 | General Fund--State Appropriation (FY 2011) | (\$9,188,000) |
| 5 | | <u>\$6,535,000</u> |
| 6 | TOTAL APPROPRIATION | (\$18,377,000) |
| 7 | | <u>\$15,724,000</u> |

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

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

13 (2) Allocations for school district programs for highly capable
14 students shall be distributed at a maximum rate of \$401.08 per funded
15 student for the 2009-10 school year and \$401.08 per funded student for
16 the portion of the 2010-11 school year from September 1, 2010, to
17 January 31, 2011, exclusive of salary and benefit adjustments pursuant
18 to section 504 of this act. Effective March 1, 2011, the highly
19 capable students program shall be eliminated. The number of funded
20 students shall be a maximum of 2.314 percent of each district's full-
21 time equivalent basic education enrollment.

22 (3) \$90,000 of the fiscal year 2010 appropriation and ~~(\$90,000)~~
23 \$84,000 of the fiscal year 2011 appropriation are provided for the
24 Washington destination imagination network and future problem-solving
25 programs.

26 (4) \$170,000 of the fiscal year 2010 appropriation and ~~(\$170,000)~~
27 \$159,000 of the fiscal year 2011 appropriation are provided for the
28 centrum program at Fort Worden state park.

29 **Sec. 508.** 2010 2nd sp.s. c 1 s 503 (uncodified) is amended to read
30 as follows:

31 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM**
32 **PROGRAMS**

| | | |
|----|-------------------------------------------------------|---------------------------|
| 33 | General Fund--State Appropriation (FY 2010) | \$93,642,000 |
| 34 | General Fund--State Appropriation (FY 2011) | (\$92,643,000) |
| 35 | | <u>\$83,894,000</u> |
| 36 | General Fund--Federal Appropriation | \$154,627,000 |
| 37 | Education Legacy Trust Account--State | |

| | | |
|---|-------------------------------|--------------------------------|
| 1 | Appropriation | ((\$100,381,000)) |
| 2 | | <u>\$87,241,000</u> |
| 3 | TOTAL APPROPRIATION | ((\$441,293,000)) |
| 4 | | <u>\$419,404,000</u> |

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

7 (1) \$35,804,000 of the general fund--state appropriation for fiscal
8 year 2010, \$31,850,000 of the general fund--state appropriation for
9 fiscal year 2011, \$1,350,000 of the education legacy trust
10 account--state appropriation, and \$17,869,000 of the general fund--
11 federal appropriation are provided solely for development and
12 implementation of the Washington state assessment system, including:
13 (i) Development and implementation of retake assessments for high
14 school students who are not successful in one or more content areas;
15 and (ii) development and implementation of alternative assessments or
16 appeals procedures to implement the certificate of academic
17 achievement. The superintendent of public instruction shall report
18 quarterly on the progress on development and implementation of
19 alternative assessments or appeals procedures. Within these amounts,
20 the superintendent of public instruction shall contract for the early
21 return of 10th grade student assessment results, on or around June 10th
22 of each year.

23 (2) \$3,249,000 of the general fund--state appropriation for fiscal
24 year 2010 and \$3,249,000 of the general fund--state appropriation for
25 fiscal year 2011 are provided solely for the design of the state
26 assessment system and the implementation of end of course assessments
27 for high school math.

28 (3) Within amounts provided in subsections (1) and (2) of this
29 section, the superintendent of public instruction, in consultation with
30 the state board of education, shall develop a statewide high school
31 end-of-course assessment measuring student achievement of the state
32 science standards in biology to be implemented statewide in the 2011-12
33 school year. By December 1, 2010, the superintendent of public
34 instruction shall recommend whether additional end-of-course
35 assessments in science should be developed and in which content areas.
36 Any recommendation for additional assessments must include an
37 implementation timeline and the projected cost to develop and
38 administer the assessments.

1 (4) \$1,014,000 of the education legacy trust account appropriation
2 is provided solely for allocations to districts for salaries and
3 benefits for the equivalent of two additional professional development
4 days for fourth and fifth grade teachers during the 2008-2009 school
5 year. The allocations shall be made based on the calculations of
6 certificated instructional staff units for fourth and fifth grade
7 provided in section 502 of this act and on the calculations of
8 compensation provided in sections 503 and 504 of this act. Districts
9 may use the funding to support additional days for professional
10 development as well as job-embedded forms of professional development.

11 (5) \$3,241,000 of the education legacy trust fund appropriation is
12 provided solely for allocations to districts for salaries and benefits
13 for the equivalent of three additional professional development days
14 for middle and high school math and science teachers during the 2008-
15 2009 school year, as well as specialized training for one math and
16 science teacher in each middle school and high school during the 2008-
17 2009 school year. Districts may use the funding to support additional
18 days for professional development as well as job-embedded forms of
19 professional development.

20 (6) \$3,773,000 of the education legacy trust account--state
21 appropriation is provided solely for a math and science instructional
22 coaches program pursuant to chapter 396, Laws of 2007. Funding shall
23 be used to provide grants to schools and districts to provide salaries,
24 benefits, and professional development activities for up to twenty-five
25 instructional coaches in middle and high school math and twenty-five
26 instructional coaches in middle and high school science in each year of
27 the biennium; and up to \$300,000 may be used by the office of the
28 superintendent of public instruction to administer and coordinate the
29 program.

30 (7) \$1,740,000 of the general fund--state appropriation for fiscal
31 year 2010 and \$1,775,000 of the general fund--state appropriation for
32 fiscal year 2011 are provided solely to allow approved middle and
33 junior high school career and technical education programs to receive
34 enhanced vocational funding. The office of the superintendent of
35 public instruction shall provide allocations to districts for middle
36 and junior high school students in accordance with the funding formulas
37 provided in section 502 of this act. If Second Substitute Senate Bill
38 No. 5676 is enacted the allocations are formula-driven, otherwise the

1 office of the superintendent shall consider the funding provided in
2 this subsection as a fixed amount, and shall adjust funding to stay
3 within the amounts provided in this subsection.

4 (8) \$139,000 of the general fund--state appropriation for fiscal
5 year 2010 and \$93,000 of the general fund--state appropriation for
6 fiscal year 2011 are provided solely for (a) staff at the office of the
7 superintendent of public instruction to coordinate and promote efforts
8 to develop integrated math, science, technology, and engineering
9 programs in schools and districts across the state; and (b) grants of
10 \$2,500 to provide twenty middle and high school teachers each year
11 professional development training for implementing integrated math,
12 science, technology, and engineering program in their schools.

13 (9) \$1,473,000 of the general fund--state appropriation for fiscal
14 year 2010 and \$197,000 of the general fund--state appropriation for
15 fiscal year 2011 are provided solely for the Washington state
16 leadership and assistance for science education reform (LASER) regional
17 partnership activities coordinated at the Pacific science center,
18 including instructional material purchases, teacher and principal
19 professional development, and school and community engagement events.
20 Funding shall be distributed to the various LASER activities in a
21 manner proportional to LASER program spending during the 2007-2009
22 biennium.

23 (10) (~~(\$88,981,000)~~) \$77,241,000 of the education legacy trust
24 account--state appropriation is provided solely for grants for
25 voluntary full-day kindergarten at the highest poverty schools, as
26 provided in chapter 400, Laws of 2007. Effective March 1, 2011,
27 funding for full-day kindergarten grants is eliminated. The office of
28 the superintendent of public instruction shall provide allocations to
29 districts for recipient schools in accordance with the funding formulas
30 provided in section 502 of this act. Each kindergarten student who
31 enrolls for the voluntary full-day program in a recipient school shall
32 count as one-half of one full-time equivalent student for the purpose
33 of making allocations under this subsection. Although the allocations
34 are formula-driven, the office of the superintendent shall consider the
35 funding provided in this subsection as a fixed amount, and shall limit
36 the number of recipient schools so as to stay within the amounts
37 appropriated each fiscal year in this subsection. The funding provided
38 in this subsection is estimated to provide full-day kindergarten

1 programs for 20 percent of kindergarten enrollment. Funding priority
2 shall be given to schools with the highest poverty levels, as measured
3 by prior year free and reduced priced lunch eligibility rates in each
4 school. Additionally, as a condition of funding, school districts must
5 agree to provide the full-day program to the children of parents who
6 request it in each eligible school. For the purposes of calculating a
7 school district levy base, funding provided in this subsection shall be
8 considered a state block grant program under RCW 84.52.0531.

9 (a) Of the amounts provided in this subsection, a maximum of
10 \$272,000 may be used for administrative support of the full-day
11 kindergarten program within the office of the superintendent of public
12 instruction.

13 (b) Student enrollment pursuant to this program shall not be
14 included in the determination of a school district's overall K-12 FTE
15 for the allocation of student achievement programs and other funding
16 formulas unless specifically stated.

17 (11) \$700,000 of the general fund--state appropriation for fiscal
18 year 2010 and \$450,000 of the general fund--state appropriation for
19 fiscal year 2011 are provided solely for the development of a
20 leadership academy for school principals and administrators. The
21 superintendent of public instruction shall contract with an independent
22 organization to design, field test, and implement a state-of-the-art
23 education leadership academy that will be accessible throughout the
24 state. Initial development of the content of the academy activities
25 shall be supported by private funds. Semiannually the independent
26 organization shall report on amounts committed by foundations and
27 others to support the development and implementation of this program.
28 Leadership academy partners, with varying roles, shall include the
29 state level organizations for school administrators and principals, the
30 superintendent of public instruction, the professional educator
31 standards board, and others as the independent organization shall
32 identify.

33 (12) \$105,754,000 of the general fund--federal appropriation is
34 provided for preparing, training, and recruiting high quality teachers
35 and principals under Title II of the no child left behind act.

36 (13) \$1,960,000 of the general fund--state appropriation for fiscal
37 year 2010 and \$761,000 of the general fund--state appropriation for
38 fiscal year 2011 are provided solely to the office of the

1 superintendent of public instruction for focused assistance. The
2 office of the superintendent of public instruction shall conduct
3 educational audits of low-performing schools and enter into performance
4 agreements between school districts and the office to implement the
5 recommendations of the audit and the community. Funding in this
6 subsection shall be used for focused assistance programs for individual
7 schools or school districts. The office of the superintendent of
8 public instruction shall report to the fiscal committees of the
9 legislature by September 1, 2011, providing an accounting of the uses
10 of focused assistance funds during the 2009-11 fiscal biennium,
11 including a list of schools served and the types of services provided.

12 ~~((\$1,667,000 of the general fund state appropriation for~~
13 ~~fiscal year 2010 and \$1,667,000 of the general fund state~~
14 ~~appropriation for fiscal year 2011 are provided solely to eliminate the~~
15 ~~lunch co-pay for students in grades kindergarten through third grade~~
16 ~~that are eligible for reduced price lunch.~~

17 ~~(15) \$5,285,000 of the general fund state appropriation for fiscal~~
18 ~~year 2010 and \$5,285,000 of the general fund state appropriation for~~
19 ~~fiscal year 2011 are provided solely for: (a) The meals for kids~~
20 ~~program under RCW 28A.235.145 through 28A.235.155; (b) to eliminate the~~
21 ~~breakfast co-pay for students eligible for reduced price lunch; and (c)~~
22 ~~for additional assistance for school districts initiating a summer food~~
23 ~~service program.~~

24 ~~(16))~~ \$1,003,000 of the general fund--state appropriation for
25 fiscal year 2010 and \$528,000 of the general fund--state appropriation
26 for fiscal year 2011 are provided solely for the Washington reading
27 corps. The superintendent shall allocate reading corps members to low-
28 performing schools and school districts that are implementing
29 comprehensive, proven, research-based reading programs. Two or more
30 schools may combine their Washington reading corps programs. Grants
31 provided under this section may be used by school districts for
32 expenditures from September 2009 through August 31, 2011.

33 ~~(((17) \$3,269,000 of the general fund state appropriation for~~
34 ~~fiscal year 2010 and \$3,594,000 of the general fund state~~
35 ~~appropriation for fiscal year 2011 are provided solely for grants to~~
36 ~~school districts to provide a continuum of care for children and~~
37 ~~families to help children become ready to learn. Grant proposals from~~
38 ~~school districts shall contain local plans designed collaboratively~~

1 ~~with community service providers. If a continuum of care program~~
2 ~~exists in the area in which the school district is located, the local~~
3 ~~plan shall provide for coordination with existing programs to the~~
4 ~~greatest extent possible. Grant funds shall be allocated pursuant to~~
5 ~~RCW 70.190.040.~~

6 ~~(+18+))~~ (15) \$1,861,000 of the general fund--state appropriation for
7 fiscal year 2010 and \$1,836,000 of the general fund--state
8 appropriation for fiscal year 2011 are provided solely for improving
9 technology infrastructure, monitoring and reporting on school district
10 technology development, promoting standards for school district
11 technology, promoting statewide coordination and planning for
12 technology development, and providing regional educational technology
13 support centers, including state support activities, under chapter
14 28A.650 RCW.

15 ~~((+19+))~~ (16) \$225,000 of the general fund--state appropriation for
16 fiscal year 2010 and \$150,000 of the general fund--state appropriation
17 for fiscal year 2011 are provided solely for the operation of the
18 center for the improvement of student learning pursuant to RCW
19 28A.300.130.

20 ~~((+20+))~~ (17) \$246,000 of the education legacy trust account--state
21 appropriation is provided solely for costs associated with the office
22 of the superintendent of public instruction's statewide director of
23 technology position.

24 ~~((+21+))~~ (18)(a) \$28,715,000 of the general fund--state
25 appropriation for fiscal year 2010 and \$36,168,000 of the general fund--
26 state appropriation for fiscal year 2011 are provided solely for the
27 following bonuses for teachers who hold valid, unexpired certification
28 from the national board for professional teaching standards and who are
29 teaching in a Washington public school, subject to the following
30 conditions and limitations:

31 (i) For national board certified teachers, a bonus of \$5,000 per
32 teacher beginning in the 2007-08 school year and adjusted for inflation
33 in each school year thereafter in which Initiative 732 cost of living
34 adjustments are provided;

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

1 60 percent of student headcount enrollment is eligible for federal free
2 or reduced price lunch, or (C) elementary schools where at least 70
3 percent of student headcount enrollment is eligible for federal free or
4 reduced price lunch;

5 (iii) The superintendent of public instruction shall adopt rules to
6 ensure that national board certified teachers meet the qualifications
7 for bonuses under (a)(ii) of this subsection for less than one full
8 school year receive bonuses in a pro-rated manner; and

9 (iv) During the 2009-10 and 2010-11 school years, and within the
10 available state and federal appropriations, certificated instructional
11 staff who have met the eligibility requirements and have applied for
12 certification from the national board for professional teaching
13 standards may receive a conditional two thousand dollars or the amount
14 set by the office of the superintendent of public instruction to
15 contribute toward the current assessment fee, not including the initial
16 up-front candidacy payment. The fee shall be an advance on the first
17 annual bonus under RCW 28A.405.415. The assessment fee for national
18 certification is provided in addition to compensation received under a
19 district's salary schedule adopted in accordance with RCW 28A.405.200
20 and shall not be included in calculations of a district's average
21 salary and associated salary limitation under RCW 28A.400.200.
22 Recipients who fail to receive certification after three years are
23 required to repay the assessment fee, not including the initial up-
24 front candidacy payment, as set by the national board for professional
25 teaching standards and administered by the office of the superintendent
26 of public instruction. The office of the superintendent of public
27 instruction shall adopt rules to define the terms for initial grant of
28 the assessment fee and repayment, including applicable fees.

29 (b) Included in the amounts provided in this subsection are amounts
30 for mandatory fringe benefits.

31 ~~((+22))~~ (19) \$2,475,000 of the general fund--state appropriation
32 for fiscal year 2010 and \$456,000 of the general fund--state
33 appropriation for fiscal year 2011 are provided solely for secondary
34 career and technical education grants pursuant to chapter 170, Laws of
35 2008. This funding may additionally be used to support FIRST Robotics
36 programs. In fiscal year 2011, if equally matched by private
37 donations, \$300,000 of the appropriation shall be used to support FIRST
38 Robotics programs, including FIRST Robotics professional development.

1 ~~((23))~~ (20) \$75,000 of the general fund--state appropriation for
2 fiscal year 2011 is provided solely for the implementation of House
3 Bill No. 2621 (K-12 school resource programs). If the bill is not
4 enacted by June 30, 2010, the amount provided in this subsection shall
5 lapse.

6 ~~((24))~~ (21) \$300,000 of the general fund--state appropriation for
7 fiscal year 2010 is provided solely for the local farms-healthy kids
8 program as described in chapter 215, Laws of 2008. The program is
9 suspended in the 2011 fiscal year, and not eliminated.

10 ~~((25))~~ (22) \$2,348,000 of the general fund--state appropriation
11 for fiscal year 2010 and \$1,000,000 of the general fund--state
12 appropriation for fiscal year 2011 are provided solely for a beginning
13 educator support program. School districts and/or regional consortia
14 may apply for grant funding beginning in the 2009-10 school year. The
15 superintendent shall implement this program in 5 to 15 school districts
16 and/or regional consortia. The program provided by a district and/or
17 regional consortia shall include: A paid orientation; assignment of a
18 qualified mentor; development of a professional growth plan for each
19 beginning teacher aligned with professional certification; release time
20 for mentors and new teachers to work together, and teacher observation
21 time with accomplished peers. \$250,000 may be used to provide state-
22 wide professional development opportunities for mentors and beginning
23 educators. The superintendent of public instruction shall adopt rules
24 to establish and operate a research-based beginning educator support
25 program no later than August 31, 2009. OSPI must evaluate the
26 program's progress and may contract for this work. A report to the
27 legislature about the beginning educator support program is due
28 November 1, 2010.

29 ~~((26) \$1,790,000)~~ (23) \$390,000 of the education legacy trust
30 account--state appropriation is provided solely for the development and
31 implementation of diagnostic assessments, consistent with the
32 recommendations of the Washington assessment of student learning work
33 group.

34 ~~((27))~~ (24) Funding within this section is provided for
35 implementation of Engrossed Substitute Senate Bill No. 5414 (statewide
36 assessments and curricula).

37 ~~((28))~~ (25) \$530,000 of the general fund--state appropriation for

1 fiscal year 2010 and \$265,000 of the general fund--state appropriation
2 for fiscal year 2011 are provided solely for the leadership internship
3 program for superintendents, principals, and program administrators.

4 ~~((+29))~~ (26) Funding for the community learning center program,
5 established in RCW 28A.215.060, and providing grant funding for the
6 21st century after-school program, is suspended and not eliminated.

7 ~~((+30))~~ (27) \$2,357,000 of the general fund--state appropriation
8 for fiscal year 2011 is provided solely for implementation of Engrossed
9 Second Substitute Senate Bill No. 6696 (education reform). Of the
10 amount provided, \$142,000 is provided to the professional educators'
11 standards board and \$120,000 is provided to the system of the
12 educational service districts, to fulfill their respective duties under
13 the bill.

(End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 2010 1st sp.s. c 37 s 610 (uncodified) is amended to read as follows:

FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND ADMINISTRATION

| | |
|---------------------------------------------|---------------------------|
| General Fund--State Appropriation (FY 2010) | \$6,402,000 |
| General Fund--State Appropriation (FY 2011) | (\$5,561,000) |
| | <u>\$5,183,000</u> |
| General Fund--Federal Appropriation | \$4,332,000 |
| TOTAL APPROPRIATION | (\$16,295,000) |
| | <u>\$15,917,000</u> |

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,

1 or their designees. The board shall report the findings and
2 recommendations of this system design planning project to the governor
3 and the appropriate committees of the legislature by December 1, 2009.

4 (2) \$146,000 of the general fund--state appropriation for fiscal
5 year 2010 and \$65,000 of the general fund--state appropriation for
6 fiscal year 2011 are provided solely for the higher education
7 coordinating board to administer Engrossed Second Substitute House Bill
8 No. 2021 (revitalizing student financial aid). If the bill is not
9 enacted by June 30, 2009, the amounts provided in this subsection shall
10 lapse.

11 (3) \$167,000 of the general fund--state appropriation for fiscal
12 year 2010 and \$71,000 of the general fund--state appropriation for
13 fiscal year 2011 are provided solely to implement Engrossed Second
14 Substitute House Bill No. 1946 (regarding higher education online
15 technology). If the bill is not enacted by June 30, 2009, the amounts
16 provided in this subsection shall lapse.

17 (4) \$350,000 of the general fund--state appropriation for fiscal
18 year 2010 and \$200,000 of the general fund--state appropriation for
19 fiscal year 2011 are provided solely for the higher education
20 coordinating board to contract with the Pacific Northwest university of
21 health sciences to conduct training and education of health care
22 professionals to promote osteopathic physician services in rural and
23 underserved areas of the state.

24 **Sec. 602.** 2010 1st sp.s. c 37 s 612 (uncodified) is amended to
25 read as follows:

26 **FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD**

| | | |
|----|-------------------------------------------------------|---------------------------|
| 27 | General Fund--State Appropriation (FY 2010) | \$1,465,000 |
| 28 | General Fund--State Appropriation (FY 2011) | (\$1,444,000) |
| 29 | | <u>\$1,358,000</u> |
| 30 | General Fund--Federal Appropriation | (\$54,020,000) |
| 31 | | <u>\$54,022,000</u> |
| 32 | TOTAL APPROPRIATION | (\$56,929,000) |
| 33 | | <u>\$56,845,000</u> |

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

36 (1) \$60,000 of the general fund--state appropriation for fiscal
37 year 2010 and \$60,000 of the general fund--state appropriation for

1 fiscal year 2011 are provided solely for implementation of Engrossed
2 Second Substitute House Bill No. 2227 (evergreen jobs act). If the
3 bill is not enacted by June 30, 2009, the amounts provided in this
4 subsection shall lapse.

5 (2) In 2010 and 2011, the board shall continue to designate
6 recipients of the Washington award for vocational excellence and to
7 recognize them at award ceremonies as provided in RCW 28C.04.535, but
8 state funding is provided for award of only one scholarship per
9 legislative district during the 2010-11 academic year. After the 2010-
10 11 academic year, and as provided in RCW 28B.76.670, the board may
11 distribute grants to these eligible students to the extent that funds
12 are appropriated for this purpose.

13 **Sec. 603.** 2010 1st sp.s. c 37 s 613 (uncodified) is amended to
14 read as follows:

15 **FOR THE SPOKANE INTERCOLLEGIATE RESEARCH AND TECHNOLOGY INSTITUTE**

| | | |
|----|-------------------------------------------------------|--------------------------|
| 16 | General Fund--State Appropriation (FY 2010) | \$1,598,000 |
| 17 | General Fund--State Appropriation (FY 2011) | (\$1,490,000) |
| 18 | | <u>\$1,396,000</u> |
| 19 | TOTAL APPROPRIATION | (\$3,088,000) |
| 20 | | <u>\$2,994,000</u> |

21 The appropriations in this section are subject to the following
22 conditions and limitations: Within existing resources, the Spokane
23 intercollegiate research and technology institute shall coordinate with
24 the Washington technology center to identify gaps and overlaps in
25 programs and evaluate strategies to reduce administrative overhead
26 expenses per section 122(27) of this act.

27 **Sec. 604.** 2010 1st sp.s. c 37 s 614 (uncodified) is amended to
28 read as follows:

29 **FOR THE DEPARTMENT OF EARLY LEARNING**

| | | |
|----|-------------------------------------------------------------|----------------------------|
| 30 | General Fund--State Appropriation (FY 2010) | \$60,400,000 |
| 31 | General Fund--State Appropriation (FY 2011) | (\$21,241,000) |
| 32 | | <u>\$19,079,000</u> |
| 33 | General Fund--Federal Appropriation | (\$265,305,000) |
| 34 | | <u>\$266,004,000</u> |
| 35 | Opportunity Pathways Account--State Appropriation | \$40,000,000 |
| 36 | TOTAL APPROPRIATION | (\$386,946,000) |

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

(1) \$54,878,000 of the general fund--state appropriation for fiscal year 2010 and (~~(\$14,685,000)~~) \$14,405,000 of the general fund--state appropriation for fiscal year 2011, and \$40,000,000 of the opportunity pathways account appropriation are provided solely for early childhood education and assistance program services. This appropriation temporarily reduces the number of slots for the 2009-11 fiscal biennium for the early childhood education and assistance program. The department shall reduce slots where providers serve both federal headstart and early childhood education and assistance program children, to the greatest extent possible, in order to achieve no reduction of slots across the state. The amounts in this subsection also reflect reductions to the administrative expenditures for the early childhood education and assistance program. The department shall reduce administrative expenditures, to the greatest extent possible, prior to reducing early childhood education and assistance program slots. Of these amounts, \$10,284,000 is a portion of the biennial amount of state matching dollars required to receive federal child care and development fund grant dollars.

(2) \$1,000,000 of the general fund--federal appropriation is provided to the department to contract with Thrive by Five, Washington for a pilot project for a quality rating and improvement system to provide parents with information they need to choose quality child care and education programs and to improve the quality of early care and education programs. The department in collaboration with Thrive by Five shall operate the pilot projects in King, Yakima, Clark, Spokane, and Kitsap counties. The department shall use child care development fund quality money for this purpose.

(3) \$425,000 of the general fund--state appropriation for fiscal year 2010, (~~(\$213,000)~~) \$200,000 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).

1 (4) \$750,000 of the general fund--state appropriation for fiscal
2 year 2010(~~(, \$750,000 of the general fund--state appropriation for~~
3 ~~fiscal year 2011,)) and \$1,500,000 of the general fund--federal
4 appropriation are provided solely for the career and wage ladder
5 program created by chapter 507, Laws of 2005. The general fund--
6 federal funding represents moneys from the American recovery and
7 reinvestment act of 2009 (child care development block grant).~~

8 (5) \$50,000 of the general fund--state appropriation for fiscal
9 year 2010 and \$50,000 of the general fund--state appropriation for
10 fiscal year 2011 are provided solely for the department to work with
11 stakeholders and the office of the superintendent of public instruction
12 to identify and test a kindergarten assessment process and tools in
13 geographically diverse school districts. School districts may
14 participate in testing the kindergarten assessment process on a
15 voluntary basis. The department shall report to the legislature on the
16 kindergarten assessment process not later than January 15, 2011.
17 Expenditure of amounts provided in this subsection is contingent on
18 receipt of an equal match from private sources. As matching funds are
19 made available, the department may expend the amounts provided in this
20 subsection.

21 (6) \$1,600,000 of the general fund--federal appropriation is
22 provided solely for the department to fund programs to improve the
23 quality of infant and toddler child care through training, technical
24 assistance, and child care consultation.

25 (7) \$200,000 of the general fund--state appropriation for fiscal
26 year 2010 and (~~(\$200,000))~~ \$100,000 of the general fund--state
27 appropriation for fiscal year 2011 are provided solely to develop and
28 provide culturally relevant supports for parents, family, and other
29 caregivers.

30 (8) The legislature notes that the department of early learning is
31 developing a plan for improving child care licensing and is consulting,
32 as practicable, with parents, licensed child care providers, and
33 stakeholders from the child care community. The plan shall outline the
34 processes and specify the resources necessary for improvements such as
35 continuing licenses, child care licensing technology, and weighted
36 child care regulations, including development of risk-based decision
37 making models and inclusive, evidence-based rule making. The

1 department shall submit to the appropriate committees of the
2 legislature a plan by January 15, 2011.

3 (9) The department is the lead agency for and recipient of the
4 federal child care and development fund grant. Amounts within this
5 grant shall be used to fund child care licensing, quality initiatives,
6 agency administration, and other costs associated with child care
7 subsidies. The department shall transfer a portion of this grant to
8 the department of social and health services to partially fund the
9 child care subsidies paid by the department of social and health
10 services on behalf of the department of early learning.

11 (10) The department shall use child care development fund money to
12 satisfy the federal audit requirement of the improper payments act
13 (IPIA) of 2002. In accordance with the IPIA's rules, the money spent
14 on the audits will not count against the five percent state limit on
15 administrative expenditures.

16 (11) Within available amounts, the department in consultation with
17 the office of financial management and the department of social and
18 health services shall report quarterly enrollments and active caseload
19 for the working connections child care program to the legislative
20 fiscal committees. The report shall also identify the number of cases
21 participating in both temporary assistance for needy families and
22 working connections child care.

23 (12) The appropriations in this section reflect reductions in the
24 appropriations for the department's administrative expenses. It is the
25 intent of the legislature that these reductions shall be achieved, to
26 the greatest extent possible, by reducing those administrative costs
27 that do not affect direct client services or direct service delivery or
28 program.

29 (13) (~~(\$500,000)~~) \$374,000 of the general fund--state appropriation
30 for fiscal year 2011 is provided solely for the department to contract
31 with the private-public partnership established in chapter 43.215 RCW
32 for home visitation programs. Of this amount, \$200,000 of the general
33 fund--state appropriation for fiscal year 2011 is provided solely for
34 expenditure into the home visiting services account created in Part IX
35 of this act to be used for contracts for home visitation with the
36 private-public partnership.

37 (14) In accordance to RCW 43.215.255(2) and 43.135.055, the
38 department is authorized to increase child care center licensure fees

1 by fifty-two dollars for the first twelve children and an additional
2 four dollars per additional child in fiscal year 2011 for costs to the
3 department for the licensure activity, including costs of necessary
4 inspection.

5 **Sec. 605.** 2010 1st sp.s. c 37 s 615 (uncodified) is amended to
6 read as follows:

7 **FOR THE STATE SCHOOL FOR THE BLIND**

| | | |
|----|-------------------------------------------------------|---------------------------|
| 8 | General Fund--State Appropriation (FY 2010) | \$5,902,000 |
| 9 | General Fund--State Appropriation (FY 2011) | (\$5,985,000) |
| 10 | | <u>\$5,509,000</u> |
| 11 | General Fund--Private/Local Appropriation | \$1,942,000 |
| 12 | TOTAL APPROPRIATION | (\$13,829,000) |
| 13 | | <u>\$13,353,000</u> |

14 The appropriations in this section are subject to the following
15 conditions and limitations: \$271,000 of the general fund--
16 private/local appropriation is provided solely for the school for the
17 blind to offer short course programs, allowing students the opportunity
18 to leave their home schools for short periods and receive intensive
19 training. The school for the blind shall provide this service to the
20 extent that it is funded by contracts with school districts and
21 educational services districts.

22 **Sec. 606.** 2010 1st sp.s. c 37 s 616 (uncodified) is amended to
23 read as follows:

24 **FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING**
25 **LOSS**

| | | |
|----|-------------------------------------------------------|---------------------------|
| 26 | General Fund--State Appropriation (FY 2010) | \$8,593,000 |
| 27 | General Fund--State Appropriation (FY 2011) | (\$8,782,000) |
| 28 | | <u>\$8,230,000</u> |
| 29 | General Fund--Private/Local Appropriation | \$526,000 |
| 30 | TOTAL APPROPRIATION | (\$17,901,000) |
| 31 | | <u>\$17,349,000</u> |

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

34 (1) \$210,000 of the general fund--private/local appropriation is
35 provided solely for the operation of the shared reading video outreach

1 program. The school for the deaf shall provide this service to the
2 extent it is funded by contracts with school districts and educational
3 service districts.

4 (2) \$25,000 of the general fund--state appropriation for fiscal
5 year 2010 and \$25,000 of the general fund--state appropriation for
6 fiscal year 2011 are provided solely for implementation of Engrossed
7 Second Substitute House Bill No. 1879 (deaf and hard of hearing). If
8 the bill is not enacted by June 30, 2009, the amounts provided in this
9 subsection shall lapse.

10 **Sec. 607.** 2010 1st sp.s. c 37 s 617 (uncodified) is amended to
11 read as follows:

12 **FOR THE WASHINGTON STATE ARTS COMMISSION**

| | | |
|----|-------------------------------------------------------|--------------------------|
| 13 | General Fund--State Appropriation (FY 2010) | \$1,844,000 |
| 14 | General Fund--State Appropriation (FY 2011) | (\$1,347,000) |
| 15 | | <u>\$1,230,000</u> |
| 16 | General Fund--Federal Appropriation | \$1,944,000 |
| 17 | General Fund--Private/Local Appropriation | \$1,052,000 |
| 18 | TOTAL APPROPRIATION | (\$6,187,000) |
| 19 | | <u>\$6,070,000</u> |

20 The appropriations in this section are subject to the following
21 conditions and limitations: It is the intent of the legislature that
22 the reductions in appropriations in this section shall be achieved, to
23 the greatest extent possible, by reducing those administrative costs
24 that do not affect direct client services or direct service delivery or
25 programs. The agency shall, to the greatest extent possible, reduce
26 spending in those areas that shall have the least impact on
27 implementing its mission.

28 **Sec. 608.** 2010 1st sp.s. c 37 s 618 (uncodified) is amended to
29 read as follows:

30 **FOR THE WASHINGTON STATE HISTORICAL SOCIETY**

| | | |
|----|-------------------------------------------------------|--------------------------|
| 31 | General Fund--State Appropriation (FY 2010) | \$2,592,000 |
| 32 | General Fund--State Appropriation (FY 2011) | (\$2,607,000) |
| 33 | | <u>\$2,381,000</u> |
| 34 | TOTAL APPROPRIATION | (\$5,199,000) |
| 35 | | <u>\$4,973,000</u> |

1 The appropriations in this section are subject to the following
2 conditions and limitations: It is the intent of the legislature that
3 the reductions in appropriations in this section shall be achieved, to
4 the greatest extent possible, by reducing those administrative costs
5 that do not affect direct client services or direct service delivery or
6 programs. The agency shall, to the greatest extent possible, reduce
7 spending in those areas that shall have the least impact on
8 implementing its mission.

9 **Sec. 609.** 2010 1st sp.s. c 37 s 619 (uncodified) is amended to
10 read as follows:

11 **FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY**

| | | |
|----|-------------------------------------------------------|------------------------------|
| 12 | General Fund--State Appropriation (FY 2010) | \$1,612,000 |
| 13 | General Fund--State Appropriation (FY 2011) | ((\$1,632,000)) |
| 14 | | <u>\$1,490,000</u> |
| 15 | TOTAL APPROPRIATION | ((\$3,244,000)) |
| 16 | | <u>\$3,102,000</u> |

17 The appropriations in this section are subject to the following
18 conditions and limitations: It is the intent of the legislature that
19 the reductions in appropriations in this section shall be achieved, to
20 the greatest extent possible, by reducing those administrative costs
21 that do not affect direct client services or direct service delivery or
22 programs. The agency shall, to the greatest extent possible, reduce
23 spending in those areas that shall have the least impact on
24 implementing its mission.

(End of part)

PART VII
SPECIAL APPROPRIATIONS

Sec. 701. 2010 1st sp.s. c 37 s 705 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF HEALTH--COUNTY PUBLIC HEALTH ASSISTANCE

General Fund--State Appropriation (FY 2011) (~~(\$24,000,000)~~)
\$22,303,000

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

| (Health District | FY 2011 |
|----------------------------------------------------------------|----------------|
| Adams County Health District | \$30,951 |
| Asotin County Health District | \$67,714 |
| Benton-Franklin Health District | \$1,165,612 |
| Chelan-Douglas Health District | \$184,761 |
| Clallam County Health and Human Services Department | \$141,752 |
| Southwest Washington Health District | \$1,084,473 |
| Columbia County Health District | \$40,529 |
| Cowlitz County Health Department | \$278,560 |
| Garfield County Health District | \$15,028 |
| Grant County Health District | \$118,596 |
| Grays Harbor Health Department | 183,870 |
| Island County Health Department | \$91,892 |
| Jefferson County Health and Human Services | \$85,782 |
| Seattle-King County Department of Public Health | \$9,531,747 |
| Bremerton-Kitsap County Health District | \$554,669 |
| Kittitas County Health Department | \$92,499 |
| Klickitat County Health Department | \$62,402 |
| Lewis County Health Department | \$105,801 |
| Lincoln County Health Department | \$29,705 |

| | | |
|----|-----------------------------------------------|-----------------------|
| 1 | Mason County Department of Health Services | \$95,988 |
| 2 | Okanogan County Health District | \$63,458 |
| 3 | Pacific County Health Department | \$77,427 |
| 4 | Tacoma-Pierce County Health Department | \$2,820,590 |
| 5 | San Juan County Health and Community Services | \$37,531 |
| 6 | Skagit County Health Department | \$223,927 |
| 7 | Snohomish Health District | \$2,258,207 |
| 8 | Spokane County Health District | \$2,101,429 |
| 9 | Northeast Tri-County Health District | \$110,454 |
| 10 | Thurston County Health Department | \$600,419 |
| 11 | Wahkiakum County Health Department | \$13,772 |
| 12 | Walla Walla County City Health Department | \$172,062 |
| 13 | Wheaton County Health Department | \$855,863 |
| 14 | Whitman County Health Department | \$78,733 |
| 15 | Yakima Health District | \$623,797 |
| 16 | TOTAL APPROPRIATIONS | \$24,000,000)) |
| 17 | | |

| | | |
|----|------------------------------------------------------------|-----------------------|
| 18 | <u>Health District</u> | <u>FY 2011</u> |
| 19 | <u>Clallam County Health and Human Services Department</u> | <u>\$131,729</u> |
| 20 | <u>Clark County Health District</u> | <u>\$982,997</u> |
| 21 | <u>Skamania County Health Department</u> | <u>\$24,794</u> |
| 22 | <u>Columbia County Health District</u> | <u>\$37,663</u> |
| 23 | <u>Cowlitz County Health Department</u> | <u>\$258,863</u> |
| 24 | <u>Garfield County Health District</u> | <u>\$13,965</u> |
| 25 | <u>Grant County Health District</u> | <u>\$110,210</u> |
| 26 | <u>Grays Harbor Health Department</u> | <u>\$170,869</u> |
| 27 | <u>Island County Health Department</u> | <u>\$85,394</u> |
| 28 | <u>Jefferson County Health and Human Services</u> | <u>\$79,716</u> |
| 29 | <u>Seattle-King County Department of Public Health</u> | <u>\$8,857,773</u> |
| 30 | <u>Bremerton-Kitsap County Health District</u> | <u>\$515,449</u> |
| 31 | <u>Kittitas County Health Department</u> | <u>\$85,959</u> |
| 32 | <u>Klickitat County Health Department</u> | <u>\$57,990</u> |
| 33 | <u>Lewis County Health Department</u> | <u>\$98,320</u> |
| 34 | <u>Lincoln County Health Department</u> | <u>\$27,605</u> |
| 35 | <u>Mason County Department of Health Services</u> | <u>\$89,201</u> |
| 36 | <u>Okanogan County Health District</u> | <u>\$58,971</u> |

| | | |
|----|------------------------------------------------------|----------------------------|
| 1 | <u>Pacific County Health Department</u> | <u>\$71,952</u> |
| 2 | <u>Tacoma-Pierce County Health Department</u> | <u>\$2,621,151</u> |
| 3 | <u>San Juan County Health and Community Services</u> | <u>\$34,877</u> |
| 4 | <u>Skagit County Health Department</u> | <u>\$208,093</u> |
| 5 | <u>Snohomish Health District</u> | <u>\$2,098,533</u> |
| 6 | <u>Spokane County Health District</u> | <u>\$1,952,840</u> |
| 7 | <u>Northeast Tri-County Health District</u> | <u>\$102,644</u> |
| 8 | <u>Thurston County Health Department</u> | <u>\$557,964</u> |
| 9 | <u>Wahkiakum County Health Department</u> | <u>\$12,798</u> |
| 10 | <u>Walla Walla County-City Health Department</u> | <u>\$159,896</u> |
| 11 | <u>Whatcom County Health Department</u> | <u>\$795,346</u> |
| 12 | <u>Whitman County Health Department</u> | <u>\$73,166</u> |
| 13 | <u>Yakima Health District</u> | <u>\$579,689</u> |
| 14 | <u>Adams County Health District</u> | <u>\$28,763</u> |
| 15 | <u>Asotin County Health District</u> | <u>\$62,926</u> |
| 16 | <u>Benton-Franklin Health District</u> | <u>\$1,083,194</u> |
| 17 | <u>Chelan-Douglas Health District</u> | <u>\$171,697</u> |
| 18 | <u>TOTAL APPROPRIATIONS</u> | <u>\$22,303,000</u> |

19 **Sec. 702.** 2010 1st sp.s. c 37 s 707 (uncodified) is amended to
20 read as follows:

21 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--CAPITOL BUILDING CONSTRUCTION**
22 **ACCOUNT**

| | | |
|----|-------------------------------------------------------|--------------------|
| 23 | General Fund--State Appropriation (FY 2010) | \$1,912,000 |
| 24 | General Fund--State Appropriation (FY 2011) | ((\$3,615,000)) |
| 25 | | <u>\$1,815,000</u> |
| 26 | TOTAL APPROPRIATION | ((\$5,527,000)) |
| 27 | | <u>\$3,727,000</u> |

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

31 **Sec. 703.** 2010 1st sp.s. c 37 s 711 (uncodified) is amended to
32 read as follows:

33 **INFORMATION TECHNOLOGY.** Pursuant to section 11, chapter 282, Laws
34 of 2010 (state government technology use), the office of financial
35 management shall work with the appropriate state agencies to generate
36 savings of \$30,000,000 from technology efficiencies from the state

1 general fund. From appropriations in this act, the office of financial
2 management shall reduce general fund--state allotments by
3 (~~(\$30,000,000)~~) \$24,841,000 for fiscal year 2011. The office of
4 financial management shall, utilizing existing fund balance, reduce the
5 data processing revolving account rates in an amount to reflect up to
6 half of the reductions identified in this section. The office of
7 financial management may use savings or existing fund balances from
8 information technology accounts to achieve savings in this section.
9 The allotment reductions shall be placed in unallotted status and
10 remain unexpended. Nothing in this section is intended to impact
11 revenue collection efforts by the department of revenue.

12 **Sec. 704.** 2009 c 564 s 711 (uncodified) is amended to read as
13 follows:

14 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EDUCATION TECHNOLOGY REVOLVING**
15 **ACCOUNT**

| | | |
|----|-------------------------------------------------------|-------------------------------|
| 16 | General Fund--State Appropriation (FY 2010) | \$8,000,000 |
| 17 | General Fund--State Appropriation (FY 2011) | ((\$8,000,000)) |
| 18 | | <u>\$7,000,000</u> |
| 19 | TOTAL APPROPRIATION | ((\$16,000,000)) |
| 20 | | <u>\$15,000,000</u> |

21 The appropriations in this section are subject to the following
22 conditions and limitations: The appropriations in this section are
23 provided solely for expenditure into the education technology revolving
24 account for the purpose of covering ongoing operational and equipment
25 replacement costs incurred by the K-20 educational network program in
26 providing telecommunication services to network participants.

27 NEW SECTION. **Sec. 705.** A new section is added to 2009 c 564
28 (uncodified) to read as follows:

29 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--WASHINGTON OPPORTUNITY**
30 **PATHWAYS ACCOUNT**

| | | |
|----|-------------------------------------------------------|--------------|
| 31 | General Fund--State Appropriation (FY 2011) | \$19,000,000 |
|----|-------------------------------------------------------|--------------|

32 The appropriation in this section is subject to the following
33 conditions and limitations: The appropriation is provided solely for
34 expenditure into the Washington opportunity pathways account.

1 NEW SECTION. **Sec. 706.** A new section is added to 2009 c 564
2 (uncodified) to read as follows:

3 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EDUCATION LEGACY TRUST ACCOUNT**
4 General Fund--State Appropriation (FY 2011) \$1,501,000

5 The appropriation in this section is subject to the following
6 conditions and limitations: The appropriation is provided solely for
7 expenditure into the education legacy trust account.

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2010 2nd sp.s. c 1 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--TRANSFERS

State Treasurer's Service Account: For transfer to the state general fund, \$16,400,000 for fiscal year 2010 and \$26,400,000 for fiscal year 2011 \$42,800,000

Waste Reduction, Recycling and Litter Control Account: For transfer to the state general fund, \$3,000,000 for fiscal year 2010 and \$3,000,000 for fiscal year 2011 \$6,000,000

State Toxics Control Account: For transfer to the state general fund, \$15,340,000 for fiscal year 2010 and \$37,780,000 for fiscal year 2011 \$53,120,000

Local Toxics Control Account: For transfer to the state general fund, \$37,060,000 for fiscal year 2010 and \$48,759,000 for fiscal year 2011 \$85,819,000

Education Construction Account: For transfer to the state general fund, \$105,228,000 for fiscal year 2010 and \$106,451,000 for fiscal year 2011 \$211,679,000

Aquatics Lands Enhancement Account: For transfer to the state general fund, \$8,520,000 for fiscal year 2010 and (~~(\$5,050,000)~~) \$12,550,000 for fiscal year 2011 (~~(\$13,570,000)~~) \$21,070,000

Drinking Water Assistance Account: For transfer to the drinking water assistance repayment account \$28,600,000

Economic Development Strategic Reserve Account: For transfer to the state general fund, \$2,500,000 for fiscal year 2010 and (~~(\$2,500,000)~~) \$3,900,000 for fiscal year 2011 (~~(\$5,000,000)~~) \$6,400,000

Tobacco Settlement Account: For transfer to the state

1 Thurston County Capital Facilities Account: For
2 transfer to the state general fund, \$8,604,000
3 for fiscal year 2010 and (~~(\$5,538,000)~~) \$5,156,000
4 for fiscal year 2011 (~~(\$14,142,000)~~)
5 \$13,760,000

6 Public Works Assistance Account: For transfer to the
7 state general fund, \$279,640,000 for fiscal year
8 2010 and \$229,560,000 for fiscal year 2011 \$509,200,000

9 Budget Stabilization Account: For transfer to the
10 state general fund for fiscal year 2010 \$45,130,000

11 Liquor Revolving Account: For transfer to the state
12 general fund, \$31,000,000 for fiscal year 2010 and
13 \$31,000,000 for fiscal year 2011 \$62,000,000

14 Public Works Assistance Account: For transfer to the
15 city-county assistance account, \$5,000,000 on
16 July 1, 2009, and \$5,000,000 on July 1, 2010 \$10,000,000

17 Public Works Assistance Account: For transfer to the
18 drinking water assistance account, \$6,930,000
19 for fiscal year 2010 and \$4,000,000 for fiscal
20 year 2011 \$10,930,000

21 Shared Game Lottery Account: For transfer to the
22 education legacy trust account, \$3,600,000 for
23 fiscal year 2010 and \$2,400,000 for fiscal year
24 2011 \$6,000,000

25 State Lottery Account: For transfer to the education
26 legacy trust account, \$9,500,000 for fiscal year
27 2010 and \$9,500,000 for fiscal year 2011 \$19,000,000

28 College Faculty Awards Trust Fund: For transfer
29 to the state general fund for fiscal year 2010,
30 an amount not to exceed the actual cash balance
31 of the fund and \$1,957,000 for fiscal year 2011 . . (~~(\$4,000,000)~~)
32 \$5,957,000

33 Washington Distinguished Professorship Trust Fund:
34 For transfer to the state general fund for fiscal
35 year 2010, an amount not to exceed the actual cash
36 balance of the fund and \$2,966,000 for fiscal
37 year 2011 (~~(\$6,000,000)~~)
38 \$8,966,000

1 Washington Graduate Fellowship Trust Account:

2 For transfer to the state general fund for fiscal

3 year 2010, an amount not to exceed the actual cash

4 balance of the fund and \$1,008,000 for fiscal year

5 2011 ((~~\$2,000,000~~))

6 \$3,008,000

7 GET Ready for Math and Science Scholarship Account:

8 For transfer to the state general fund for

9 fiscal year 2010, an amount not to exceed

10 the actual cash balance not comprised of or

11 needed to match private contributions \$1,800,000

12 Financial Services Regulation Account: For transfer

13 to the state general fund, \$2,000,000 for fiscal

14 year 2010 and \$7,000,000 for fiscal year 2011 \$9,000,000

15 Data Processing Revolving Fund: For transfer to

16 the state general fund, \$5,632,000 for fiscal

17 year 2010 and \$4,159,000 for fiscal year 2011 . . . ((~~\$5,632,000~~))

18 \$9,791,000

19 Public Service Revolving Account: For transfer to

20 the state general fund, \$8,000,000 for fiscal

21 year 2010 and \$7,000,000 for fiscal year 2011 \$15,000,000

22 Water Quality Capital Account: For transfer to the

23 state general fund, \$278,000 for fiscal year 2011 \$278,000

24 Performance Audits of Government Account: For

25 transfer to the state general fund, \$10,000,000

26 for fiscal year 2010 and ((~~\$5,000,000~~)) \$7,000,000

27 for fiscal year 2011 ((~~\$15,000,000~~))

28 \$17,000,000

29 Job Development Account: For transfer to the

30 state general fund, \$20,930,000 for fiscal

31 year 2010 \$20,930,000

32 Savings Incentive Account: For transfer to the

33 state general fund, \$10,117,000 for fiscal

34 year 2010 and \$32,075,000 for fiscal year 2011 . . ((~~\$10,117,000~~))

35 \$42,192,000

36 Education Savings Account: For transfer to the

37 state general fund, ((~~\$100,767,000~~)) \$90,690,000

38 for fiscal year 2010 and \$53,384,000 for

1 (2) The transfer in subsection (1) of this section is to minimize
2 reductions to public school programs in the 2010 supplemental omnibus
3 operating budget.

(End of part)

PART IX
MISCELLANEOUS

3 **Sec. 901.** 2010 1st sp.s. c 32 s 3 (uncodified) is amended to read
4 as follows:

5 (1)(a) The office of financial management shall certify to each
6 executive branch state agency and institution of higher education the
7 compensation reduction amount to be achieved by that agency or
8 institution. Each agency and institution shall achieve compensation
9 expenditure reductions as provided in the omnibus appropriations act.

10 (b) Each executive branch state agency other than institutions of
11 higher education may submit to the office of financial management a
12 compensation reduction plan to achieve the cost reductions as provided
13 in the omnibus appropriations act. The compensation reduction plan of
14 each executive branch agency may include, but is not limited to,
15 employee leave without pay, including additional mandatory and
16 voluntary temporary layoffs, reductions in the agency workforce,
17 compensation reductions, and reduced work hours, as well as voluntary
18 retirement, separation, and other incentive programs authorized by
19 section 912, chapter 564, Laws of 2009. The amount of compensation
20 cost reductions to be achieved by each agency shall be adjusted to
21 reflect voluntary and mandatory temporary layoffs at the agency during
22 the 2009-2011 fiscal biennium and implemented prior to January 1, 2010,
23 but not adjusted by other compensation reduction plans adopted as a
24 result of the enactment of chapter 564, Laws of 2009, or the enactment
25 of other compensation cost reduction measures applicable to the 2009-
26 2011 fiscal biennium.

27 (c) Each institution of higher education must submit to the office
28 of financial management a compensation and operations reduction plan to
29 achieve at least the cost reductions as provided in the omnibus
30 appropriations act. For purposes of the reduction plan, the state
31 board of community and technical colleges shall submit a single plan on
32 behalf of all community and technical colleges. The reduction plan of
33 each institution may include, but is not limited to, employee leave
34 without pay, including mandatory and voluntary temporary layoffs,
35 reductions in the institution workforce, compensation reductions, and

1 reduced work hours, as well as voluntary retirement, separation,
2 incentive programs authorized by section 912, chapter 564, Laws of
3 2009, as well as other reductions to the cost of operations. The
4 amount of cost reductions to be achieved by each institution shall be
5 adjusted to reflect voluntary and mandatory temporary layoffs at the
6 institution during the 2009-2011 fiscal biennium and implemented prior
7 to January 1, 2010, but not adjusted by other compensation reduction
8 plans adopted as a result of the enactment of chapter 564, Laws of
9 2009, or the enactment of other compensation cost reduction measures
10 applicable to the 2009-2011 fiscal biennium.

11 (d) The director of financial management shall review, approve, and
12 submit to the legislative fiscal committees those executive branch
13 state agencies and higher education institution plans that achieves the
14 cost reductions as provided in the omnibus appropriations act. For
15 those executive branch state agencies and institutions of higher
16 education that do not have an approved compensation and operations
17 reduction plan, the institution shall be closed on the dates specified
18 in subsection (2) of this section.

19 (e) For each agency of the legislative branch, the chief clerk of
20 the house of representatives and the secretary of the senate shall
21 review and approve a plan of employee mandatory and voluntary leave for
22 the 2009-2011 fiscal biennium that achieves the cost reductions as
23 provided in the omnibus appropriations act. The amount of compensation
24 cost reductions to be achieved shall be adjusted, if necessary, to
25 reflect voluntary and mandatory temporary layoffs at the agencies
26 during the 2009-2011 fiscal biennium and implemented prior to January
27 1, 2010.

28 (f) For each agency of the judicial branch, the supreme court shall
29 review and approve a plan of employee mandatory and voluntary leave for
30 the 2009-2011 fiscal biennium that achieve the cost reductions as
31 provided in the omnibus appropriations act. The amount of compensation
32 cost reductions to be achieved shall be adjusted, if necessary, to
33 reflect voluntary and mandatory temporary layoffs at the agencies
34 during the 2009-2011 fiscal biennium and implemented prior to January
35 1, 2010.

36 (2) Each state agency of the executive, legislative, and judicial
37 branch, and any institution that does not have an approved plan in

1 accordance with subsection (1) of this section shall be closed on the
2 following dates in addition to the legal holidays specified in RCW
3 1.16.050:

- 4 (a) Monday, July 12, 2010;
- 5 (b) Friday, August 6, 2010;
- 6 (c) Tuesday, September 7, 2010;
- 7 (d) Monday, October 11, 2010;
- 8 (e) Monday, December 27, 2010;
- 9 (f) Friday, January 28, 2011;
- 10 (g) Tuesday, February 22, 2011;
- 11 (h) Friday, March (~~11~~) 28, 2011;
- 12 (i) Friday, April 22, 2011;
- 13 (j) Friday, June 10, 2011.

14 (3) If the closure of state agencies or institutions under
15 subsection (2) of this section prevents the performance of any action,
16 the action shall be considered timely if performed on the next business
17 day.

18 (4) The following activities of state agencies and institutions of
19 higher education are exempt from subsections (1) and (2) of this
20 section:

21 (a) Direct custody, supervision, and patient care in: (i)
22 Corrections; (ii) juvenile rehabilitation; (iii) institutional care of
23 veterans, or individuals with mental illness, and individuals with
24 developmental disabilities; (iv) state hospitals, the University of
25 Washington medical center, and Harborview medical center; (v) the
26 special commitment center; (vi) the school for the blind; (vii) the
27 state center for childhood deafness and hearing loss; and (viii) the
28 Washington youth academy;

29 (b) Direct protective services to children and other vulnerable
30 populations, child support enforcement, disability determination
31 services, complaint investigators, and residential care licensors and
32 surveyors in the department of social and health services and the
33 department of health;

34 (c) Washington state patrol investigative services and field
35 enforcement;

36 (d) Hazardous materials response or emergency response and cleanup;

37 (e) Emergency public health and patient safety response and the
38 public health laboratory;

- 1 (f) Military operations and emergency management within the
2 military department;
- 3 (g) Firefighting;
- 4 (h) Enforcement officers in the department of fish and wildlife,
5 the liquor control board, the gambling commission, the department of
6 financial institutions, and the department of natural resources;
- 7 (i) State parks operated by the parks and recreation commission;
- 8 (j) In institutions of higher education, classroom instruction,
9 operations not funded from state funds or tuition, campus police and
10 security, emergency management and response, work performed by student
11 employees if the duties were not previously assigned to nonstudents
12 during the current or prior school year, and student health care;
- 13 (k) Operations of liquor control board business enterprises and
14 games conducted by the state lottery;
- 15 (l) Agricultural commodity commissions and boards, and agricultural
16 inspection programs operated by the department of agriculture;
- 17 (m) The unemployment insurance program and reemployment services of
18 the employment security department;
- 19 (n) The workers' compensation program and workplace safety and
20 health compliance activities of the department of labor and industries;
- 21 (o) The operation, maintenance, and construction of state ferries
22 and state highways;
- 23 (p) The department of revenue;
- 24 (q) Licensing service offices in the department of licensing that
25 are open no more than two days per week, and no licensing service
26 office closures may occur on Saturdays as a result of this section;
- 27 (r) The governor, lieutenant governor, legislative agencies, and
28 the office of financial management, during sessions of the legislature
29 under Article II, section 12 of the state Constitution and the twenty-
30 day veto period under Article IV, section 12 of the state Constitution;
- 31 (s) The office of the attorney general, except for management and
32 administrative functions not directly related to civil, criminal, or
33 administrative actions;
- 34 (t) The labor relations office of the office of financial
35 management through November 1, 2010;
- 36 (u) The minimal use of state employees on the specified closure
37 dates as necessary to protect public assets and information technology
38 systems, and to maintain public safety; and

1 (v) The operations of the office of the insurance commissioner that
2 are funded by industry regulatory fees.

3 (5)(a) The closure of an office of a state agency or institution of
4 higher education under this section shall result in the temporary
5 layoff of the employees of the agency or institution. The compensation
6 of the employees shall be reduced proportionately to the duration of
7 the temporary layoff. Temporary layoffs under this section shall not
8 affect the employees' vacation leave accrual, seniority, health
9 insurance, or sick leave credits. For the purposes of chapter 430,
10 Laws of 2009, the compensation reductions under this section are deemed
11 to be an integral part of an employer's expenditure reduction efforts
12 and shall not result in the loss of retirement benefits in any state
13 defined benefit retirement plan for an employee whose period of average
14 final compensation includes a portion of the period from the effective
15 date of this section through June 30, 2011.

16 (b)(i) During the closure of an office or institution under this
17 section, any employee with a monthly full-time equivalent salary of two
18 thousand five hundred dollars or less may, at the employee's option,
19 use accrued vacation leave in lieu of temporary layoff during the
20 closure. Solely for this purpose, and during the 2009-2011 fiscal
21 biennium only, the department of personnel shall adopt rules to permit
22 employees with less than six months of continuous state employment to
23 use accrued vacation leave.

24 (ii) If an employee with a monthly full-time equivalent salary of
25 two thousand five hundred dollars or less has no accrued vacation
26 leave, that employee may use shared leave, if approved by the agency
27 director, and if made available through donations under RCW 41.04.665
28 in lieu of temporary layoff during the closure.

29 (6) Except as provided in subsection (4) of this section, for
30 employees not scheduled to work on a day specified in subsection (2) of
31 this section, the employing agency must designate an alternative day
32 during that month on which the employee is scheduled to work that the
33 employee will take temporary leave without pay.

34 (7) To the extent that the implementation of this section is
35 subject to collective bargaining under chapter 41.80 RCW, the
36 bargaining shall be conducted pursuant to section 4 of this act. To
37 the extent that the implementation of this section is subject to

1 collective bargaining under chapters 28B.52, 41.56, 41.76, or 47.64
2 RCW, the bargaining shall be conducted pursuant to these chapters.

3 (8) For all or a portion of the employees of an agency of the
4 executive branch, the office of financial management may approve the
5 substitution of temporary layoffs on an alternative date during that
6 month for any date specified in subsection (2) of this section as
7 necessary for the critical work of any agency.

8 (9)(a) If any state agency of the executive, legislative, and
9 judicial branch is unable to achieve its full amount of cost reductions
10 as provided in the omnibus appropriations act through its approved plan
11 in accordance with subsection (1) of this section or through ten days
12 of temporary layoffs in accordance with subsections (2) and (8) of this
13 section, the remaining amount is a reduction to the agency's cost of
14 operations and may include savings as a result of sections 601 through
15 604 of chapter 3, Laws of 2010.

16 (b) If any state agency of the executive, legislative, and judicial
17 branch is able to achieve its full amount of cost reductions as
18 provided in the omnibus appropriations act through ten days or less of
19 temporary layoffs in accordance with subsections (2) and (8) of this
20 section, any residual amount of cost reductions that cannot be achieved
21 through a full day of closure is a reduction to the agency's cost of
22 operations and may include savings as a result of sections 601 through
23 604 of chapter 3, Laws of 2010.

24 **Sec. 902.** RCW 18.04.105 and 2004 c 159 s 2 are each amended to
25 read as follows:

26 (1) A license to practice public accounting shall be granted by the
27 board to any person:

28 (a) Who is of good character. Good character, for purposes of this
29 section, means lack of a history of dishonest or felonious acts. The
30 board may refuse to grant a license on the ground of failure to satisfy
31 this requirement only if there is a substantial connection between the
32 lack of good character of the applicant and the professional and
33 ethical responsibilities of a licensee and if the finding by the board
34 of lack of good character is supported by a preponderance of evidence.
35 When an applicant is found to be unqualified for a license because of
36 a lack of good character, the board shall furnish the applicant a

1 statement containing the findings of the board and a notice of the
2 applicant's right of appeal;

3 (b) Who has met the educational standards established by rule as
4 the board determines to be appropriate;

5 (c) Who has passed an examination;

6 (d) Who has had one year of experience which is gained:

7 (i) Through the use of accounting, issuing reports on financial
8 statements, management advisory, financial advisory, tax, tax advisory,
9 or consulting skills;

10 (ii) While employed in government, industry, academia, or public
11 practice; and

12 (iii) Meeting the competency requirements in a manner as determined
13 by the board to be appropriate and established by board rule; and

14 (e) Who has paid appropriate fees as established by rule by the
15 board.

16 (2) The examination described in subsection (1)(c) of this section
17 shall test the applicant's knowledge of the subjects of accounting and
18 auditing, and other related fields the board may specify by rule. The
19 time for holding the examination is fixed by the board and may be
20 changed from time to time. The board shall prescribe by rule the
21 methods of applying for and taking the examination, including methods
22 for grading examinations and determining a passing grade required of an
23 applicant for a license. The board shall to the extent possible see to
24 it that the grading of the examination, and the passing grades, are
25 uniform with those applicable to all other states. The board may make
26 use of all or a part of the uniform certified public accountant
27 examination and advisory grading service of the American Institute of
28 Certified Public Accountants and may contract with third parties to
29 perform administrative services with respect to the examination as the
30 board deems appropriate to assist it in performing its duties under
31 this chapter. The board shall establish by rule provisions for
32 transitioning to a new examination structure or to a new media for
33 administering the examination.

34 (3) The board shall charge each applicant an examination fee for
35 the initial examination or for reexamination. The applicable fee shall
36 be paid by the person at the time he or she applies for examination,
37 reexamination, or evaluation of educational qualifications. Fees for
38 examination, reexamination, or evaluation of educational qualifications

1 shall be determined by the board under chapter 18.04 RCW. There is
2 established in the state treasury an account to be known as the
3 certified public accountants' account. All fees received from
4 candidates to take any or all sections of the certified public
5 accountant examination shall be used only for costs related to the
6 examination. During the 2009-2011 fiscal biennium, the legislature may
7 transfer from the certified public accountants' account to the state
8 general fund such amounts as reflect the excess fund balance of the
9 account.

10 (4) Persons who on June 30, 2001, held valid certificates
11 previously issued under this chapter shall be deemed to be certificate
12 holders, subject to the following:

13 (a) Certificate holders may, prior to June 30, 2006, petition the
14 board to become licensees by documenting to the board that they have
15 gained one year of experience through the use of accounting, issuing
16 reports on financial statements, management advisory, financial
17 advisory, tax, tax advisory, or consulting skills, without regard to
18 the eight-year limitation set forth in (b) of this subsection, while
19 employed in government, industry, academia, or public practice.

20 (b) Certificate holders who do not petition to become licensees
21 prior to June 30, 2006, may after that date petition the board to
22 become licensees by documenting to the board that they have one year of
23 experience acquired within eight years prior to applying for a license
24 through the use of accounting, issuing reports on financial statements,
25 management advisory, financial advisory, tax, tax advisory, or
26 consulting skills in government, industry, academia, or public
27 practice.

28 (c) Certificate holders who petition the board pursuant to (a) or
29 (b) of this subsection must also meet competency requirements in a
30 manner as determined by the board to be appropriate and established by
31 board rule.

32 (d) Any certificate holder petitioning the board pursuant to (a) or
33 (b) of this subsection to become a licensee must submit to the board
34 satisfactory proof of having completed an accumulation of one hundred
35 twenty hours of CPE during the thirty-six months preceding the date of
36 filing the petition.

37 (e) Any certificate holder petitioning the board pursuant to (a) or

1 (b) of this subsection to become a licensee must pay the appropriate
2 fees established by rule by the board.

3 (5) Certificate holders shall comply with the prohibition against
4 the practice of public accounting in RCW 18.04.345.

5 (6) Persons who on June 30, 2001, held valid certificates
6 previously issued under this chapter are deemed to hold inactive
7 certificates, subject to renewal as inactive certificates, until they
8 have petitioned the board to become licensees and have met the
9 requirements of subsection (4) of this section. No individual who did
10 not hold a valid certificate before July 1, 2001, is eligible to obtain
11 an inactive certificate.

12 (7) Persons deemed to hold inactive certificates under subsection
13 (6) of this section shall comply with the prohibition against the
14 practice of public accounting in subsection (8)(b) of this section and
15 RCW 18.04.345, but are not required to display the term inactive as
16 part of their title, as required by subsection (8)(a) of this section
17 until renewal. Certificates renewed to any persons after June 30,
18 2001, are inactive certificates and the inactive certificate holders
19 are subject to the requirements of subsection (8) of this section.

20 (8) Persons holding an inactive certificate:

21 (a) Must use or attach the term "inactive" whenever using the title
22 CPA or certified public accountant or referring to the certificate, and
23 print the word "inactive" immediately following the title, whenever the
24 title is printed on a business card, letterhead, or any other document,
25 including documents published or transmitted through electronic media,
26 in the same font and font size as the title; and

27 (b) Are prohibited from practicing public accounting.

28 **Sec. 903.** RCW 43.03.220 and 2010 1st sp.s. c 7 s 142 are each
29 amended to read as follows:

30 (1) Any part-time board, commission, council, committee, or other
31 similar group which is established by the executive, legislative, or
32 judicial branch to participate in state government and which functions
33 primarily in an advisory, coordinating, or planning capacity shall be
34 identified as a class one group.

35 (2) Absent any other provision of law to the contrary, no money
36 beyond the customary reimbursement or allowance for expenses may be

1 paid by or through the state to members of class one groups for
2 attendance at meetings of such groups.

3 (3) Beginning July 1, 2010, through June 30, 2011, no person
4 designated as a member of a class one board, commission, council,
5 committee, or similar group may receive an allowance for subsistence,
6 lodging, or travel expenses if the allowance cost is funded by the
7 state general fund. Exceptions may be granted under section 605,
8 chapter 3, Laws of 2010. Class one groups, when feasible, shall use an
9 alternative means of conducting a meeting that does not require travel
10 while still maximizing member and public participation and may use a
11 meeting format that requires members to be physically present at one
12 location only when necessary or required by law. Meetings that require
13 a member's physical presence at one location must be held in state
14 facilities whenever possible(~~(7 - and)~~). Meetings conducted using
15 private facilities must be approved by the director of the office of
16 financial management, except for facilities provided free of charge.

17 (4) Beginning July 1, 2010, through June 30, 2011, class one groups
18 that are funded by sources other than the state general fund are
19 encouraged to reduce travel, lodging, and other costs associated with
20 conducting the business of the group including use of other meeting
21 formats that do not require travel.

22 **Sec. 904.** RCW 43.03.230 and 2010 1st sp.s. c 7 s 143 are each
23 amended to read as follows:

24 (1) Any agricultural commodity board or commission established
25 pursuant to Title 15 or 16 RCW shall be identified as a class two group
26 for purposes of compensation.

27 (2) Except as otherwise provided in this section, each member of a
28 class two group is eligible to receive compensation in an amount not to
29 exceed one hundred dollars for each day during which the member attends
30 an official meeting of the group or performs statutorily prescribed
31 duties approved by the chairperson of the group. A person shall not
32 receive compensation for a day of service under this section if the
33 person (a) occupies a position, normally regarded as full-time in
34 nature, in any agency of the federal government, Washington state
35 government, or Washington state local government; and (b) receives any
36 compensation from such government for working that day.

1 (3) Compensation may be paid a member under this section only if it
2 is authorized under the law dealing in particular with the specific
3 group to which the member belongs or dealing in particular with the
4 members of that specific group.

5 (4) Beginning July 1, 2010, through June 30, 2011, no person
6 designated as a member of a class two board, commission, council,
7 committee, or similar group may receive an allowance for subsistence,
8 lodging, or travel expenses if the allowance cost is funded by the
9 state general fund. Exceptions may be granted under section 605,
10 chapter 3, Laws of 2010. Class two groups, when feasible, shall use an
11 alternative means of conducting a meeting that does not require travel
12 while still maximizing member and public participation and may use a
13 meeting format that requires members to be physically present at one
14 location only when necessary or required by law. Meetings that require
15 a member's physical presence at one location must be held in state
16 facilities whenever possible(~~(7-and)~~). Meetings conducted using
17 private facilities must be approved by the director of the office of
18 financial management, except for facilities provided free of charge.

19 (5) Beginning July 1, 2010, through June 30, 2011, class two groups
20 that are funded by sources other than the state general fund are
21 encouraged to reduce travel, lodging, and other costs associated with
22 conducting the business of the group including use of other meeting
23 formats that do not require travel.

24 **Sec. 905.** RCW 43.03.240 and 2010 1st sp.s. c 7 s 144 are each
25 amended to read as follows:

26 (1) Any part-time, statutory board, commission, council, committee,
27 or other similar group which has rule-making authority, performs quasi
28 judicial functions, has responsibility for the administration or policy
29 direction of a state agency or program, or performs regulatory or
30 licensing functions with respect to a specific profession, occupation,
31 business, or industry shall be identified as a class three group for
32 purposes of compensation.

33 (2) Except as otherwise provided in this section, each member of a
34 class three group is eligible to receive compensation in an amount not
35 to exceed fifty dollars for each day during which the member attends an
36 official meeting of the group or performs statutorily prescribed duties
37 approved by the chairperson of the group. A person shall not receive

1 compensation for a day of service under this section if the person (a)
2 occupies a position, normally regarded as full-time in nature, in any
3 agency of the federal government, Washington state government, or
4 Washington state local government; and (b) receives any compensation
5 from such government for working that day.

6 (3) Compensation may be paid a member under this section only if it
7 is authorized under the law dealing in particular with the specific
8 group to which the member belongs or dealing in particular with the
9 members of that specific group.

10 (4) Beginning July 1, 2010, through June 30, 2011, no person
11 designated as a member of a class three board, commission, council,
12 committee, or similar group may receive an allowance for subsistence,
13 lodging, or travel expenses if the allowance cost is funded by the
14 state general fund. Exceptions may be granted under section 605,
15 chapter 3, Laws of 2010. Class three groups, when feasible, shall use
16 an alternative means of conducting a meeting that does not require
17 travel while still maximizing member and public participation and may
18 use a meeting format that requires members to be physically present at
19 one location only when necessary or required by law. Meetings that
20 require a member's physical presence at one location must be held in
21 state facilities whenever possible(~~(, and)~~). Meetings conducted using
22 private facilities must be approved by the director of the office of
23 financial management, except for facilities provided free of charge.

24 (5) Beginning July 1, 2010, through June 30, 2011, class three
25 groups that are funded by sources other than the state general fund are
26 encouraged to reduce travel, lodging, and other costs associated with
27 conducting the business of the group including use of other meeting
28 formats that do not require travel.

29 **Sec. 906.** RCW 43.03.250 and 2010 1st sp.s. c 7 s 145 are each
30 amended to read as follows:

31 (1) A part-time, statutory board, commission, council, committee,
32 or other similar group shall be identified as a class four group for
33 purposes of compensation if the group:

34 (a) Has rule-making authority, performs quasi-judicial functions,
35 or has responsibility for the administration or policy direction of a
36 state agency or program;

1 (b) Has duties that are deemed by the legislature to be of
2 overriding sensitivity and importance to the public welfare and the
3 operation of state government; and

4 (c) Requires service from its members representing a significant
5 demand on their time that is normally in excess of one hundred hours of
6 meeting time per year.

7 (2) Each member of a class four group is eligible to receive
8 compensation in an amount not to exceed one hundred dollars for each
9 day during which the member attends an official meeting of the group or
10 performs statutorily prescribed duties approved by the chairperson of
11 the group. A person shall not receive compensation for a day of
12 service under this section if the person (a) occupies a position,
13 normally regarded as full-time in nature, in any agency of the federal
14 government, Washington state government, or Washington state local
15 government; and (b) receives any compensation from such government for
16 working that day.

17 (3) Compensation may be paid a member under this section only if it
18 is authorized under the law dealing in particular with the specific
19 group to which the member belongs or dealing in particular with the
20 members of that specific group.

21 (4) Beginning July 1, 2010, through June 30, 2011, class four
22 groups, when feasible, shall use an alternative means of conducting a
23 meeting that does not require travel while still maximizing member and
24 public participation and may use a meeting format that requires members
25 to be physically present at one location only when necessary or
26 required by law. Meetings that require a member's physical presence at
27 one location must be held in state facilities whenever possible(~~and~~
28 and)). Meetings conducted using private facilities must be approved by
29 the director of the office of financial management, except for
30 facilities provided free of charge.

31 **Sec. 907.** RCW 43.03.265 and 2010 1st sp.s. c 7 s 146 are each
32 amended to read as follows:

33 (1) Any part-time commission that has rule-making authority,
34 performs quasi-judicial functions, has responsibility for the policy
35 direction of a health profession credentialing program, and performs
36 regulatory and licensing functions with respect to a health care

1 profession licensed under Title 18 RCW shall be identified as a class
2 five group for purposes of compensation.

3 (2) Except as otherwise provided in this section, each member of a
4 class five group is eligible to receive compensation in an amount not
5 to exceed two hundred fifty dollars for each day during which the
6 member attends an official meeting of the group or performs statutorily
7 prescribed duties approved by the chairperson of the group. A person
8 shall not receive compensation for a day of service under this section
9 if the person (a) occupies a position, normally regarded as full-time
10 in nature, in any agency of the federal government, Washington state
11 government, or Washington state local government; and (b) receives any
12 compensation from such government for working that day.

13 (3) Compensation may be paid a member under this section only if it
14 is necessarily incurred in the course of authorized business consistent
15 with the responsibilities of the commission established by law.

16 (4) Beginning July 1, 2010, through June 30, 2011, no person
17 designated as a member of a class five board, commission, council,
18 committee, or similar group may receive an allowance for subsistence,
19 lodging, or travel expenses if the allowance cost is funded by the
20 state general fund. Exceptions may be granted under section 605,
21 chapter 3, Laws of 2010. Class five groups, when feasible, shall use
22 an alternative means of conducting a meeting that does not require
23 travel while still maximizing member and public participation and may
24 use a meeting format that requires members to be physically present at
25 one location only when necessary or required by law. Meetings that
26 require a member's physical presence at one location must be held in
27 state facilities whenever possible(~~, and~~). Meetings conducted using
28 private facilities must be approved by the director of the office of
29 financial management, except for facilities provided free of charge.

30 (5) Beginning July 1, 2010, through June 30, 2011, class five
31 groups that are funded by sources other than the state general fund are
32 encouraged to reduce travel, lodging, and other costs associated with
33 conducting the business of the group including use of other meeting
34 formats that do not require travel.

35 **Sec. 908.** RCW 43.21A.660 and 1999 c 251 s 1 are each amended to
36 read as follows:

1 Funds in the freshwater aquatic weeds account may be appropriated
2 to the department of ecology to develop a freshwater aquatic weeds
3 management program. Funds shall be expended as follows:

4 (1) No less than two-thirds of the appropriated funds shall be
5 issued as grants to (a) cities, counties, tribes, special purpose
6 districts, and state agencies to prevent, remove, reduce, or manage
7 excessive freshwater aquatic weeds; (b) fund demonstration or pilot
8 projects consistent with the purposes of this section; and (c) fund
9 hydrilla eradication activities in waters of the state. Except for
10 hydrilla eradication activities, such grants shall only be issued for
11 lakes, rivers, or streams with a public boat launching ramp or which
12 are designated by the department of fish and wildlife for fly-fishing.
13 The department shall give preference to projects having matching funds
14 or in-kind services; ~~((and))~~

15 (2) No more than one-third of the appropriated funds shall be
16 expended to:

17 (a) Develop public education programs relating to preventing the
18 propagation and spread of freshwater aquatic weeds; and

19 (b) Provide technical assistance to local governments and citizen
20 groups; and

21 (3) During the 2009-2011 fiscal biennium, the legislature may
22 transfer from the freshwater aquatic weeds account to the state general
23 fund such amounts as reflect the excess fund balance of the account.

24 **Sec. 909.** RCW 43.21A.667 and 2009 c 564 s 933 are each amended to
25 read as follows:

26 (1) The freshwater aquatic algae control account is created in the
27 state treasury. Moneys directed to the account from RCW ~~((88.02.050))~~
28 88.02.560 must be deposited in the account. Expenditures from the
29 account may only be used as provided in this section. Moneys in the
30 account may be spent only after appropriation.

31 (2) Funds in the freshwater aquatic algae control account may be
32 appropriated to the department to develop a freshwater aquatic algae
33 control program. Funds must be expended as follows:

34 (a) As grants to cities, counties, tribes, special purpose
35 districts, and state agencies to manage excessive freshwater algae,
36 with priority for the treatment of lakes in which harmful algal blooms
37 have occurred within the past three years; and during the 2009-2011

1 fiscal biennium to provide grants for sea lettuce research and removal
2 to assist Puget Sound communities that are impacted by hyperblooms of
3 sea lettuce; (~~and~~)

4 (b) To provide technical assistance to applicants and the public
5 about aquatic algae control; and

6 (c) During the 2009-2011 fiscal biennium, the legislature may
7 transfer from the freshwater aquatic algae control account to the state
8 general fund such amounts as reflect the excess fund balance of the
9 account.

10 (3) The department shall submit a biennial report to the
11 appropriate legislative committees describing the actions taken to
12 implement this section along with suggestions on how to better fulfill
13 the intent of chapter 464, Laws of 2005. The first report is due
14 December 1, 2007.

15 **Sec. 910.** RCW 43.79.460 and 2010 1st sp.s. c 37 s 928 are each
16 amended to read as follows:

17 (1) The savings incentive account is created in the custody of the
18 state treasurer. The account shall consist of all moneys appropriated
19 to the account by the legislature. The account is subject to the
20 allotment procedures under chapter 43.88 RCW, but no appropriation is
21 required for expenditures from the account.

22 (2) Within the savings incentive account, the state treasurer may
23 create subaccounts to be credited with incentive savings attributable
24 to individual state agencies, as determined by the office of financial
25 management in consultation with the legislative fiscal committees.
26 Moneys deposited in the subaccounts may be expended only on the
27 authorization of the agency's executive head or designee and only for
28 the purpose of one-time expenditures to improve the quality,
29 efficiency, and effectiveness of services to customers of the state,
30 such as one-time expenditures for employee training, employee
31 incentives, technology improvements, new work processes, or performance
32 measurement. Funds may not be expended from the account to establish
33 new programs or services, expand existing programs or services, or
34 incur ongoing costs that would require future expenditures.

35 (3) For purposes of this section, "incentive savings" means state
36 general fund appropriations that are unspent as of June 30th of a

1 fiscal year, excluding any amounts included in across-the-board
2 reductions under RCW 43.88.110 and excluding unspent appropriations
3 for:

4 (a) Caseload and enrollment in entitlement programs, except to the
5 extent that an agency has clearly demonstrated that efficiencies have
6 been achieved in the administration of the entitlement program.
7 "Entitlement program," as used in this section, includes programs for
8 which specific sums of money are appropriated for pass-through to third
9 parties or other entities;

10 (b) Enrollments in state institutions of higher education;

11 (c) A specific amount contained in a condition or limitation to an
12 appropriation in the biennial appropriations act, if the agency did not
13 achieve the specific purpose or objective of the condition or
14 limitation;

15 (d) Debt service on state obligations; and

16 (e) State retirement system obligations.

17 (4) The office of financial management, after consulting with the
18 legislative fiscal committees, shall report the amount of savings
19 incentives achieved.

20 (5) ~~((For fiscal year 2009, the legislature may transfer from the
21 savings incentive account to the state general fund such amounts as
22 reflect the fund balance of the account attributable to unspent state
23 general fund appropriations for fiscal year 2008.))~~ For fiscal year
24 2010, the legislature may transfer from the savings incentive account
25 to the state general fund such amounts as reflect the fund balance of
26 the account attributable to unspent state general fund appropriations
27 for fiscal year 2009. For fiscal year 2011, the legislature may
28 transfer from the savings incentive account to the state general fund
29 such amounts as reflect the fund balance of the account attributable to
30 unspent state general fund appropriations for fiscal year 2010. For
31 fiscal year 2011, the legislature may transfer from the savings
32 incentive account to the state general fund eight million dollars or as
33 much as reflects the fund balance of the account attributable to
34 unspent agency credits prior to fiscal year 2009. Credits for
35 legislative and judicial agencies are not included in this action, with
36 the exception and upon consent of the supreme court, court of appeals,
37 office of public defense, and office of civil legal aid.

1 **Sec. 911.** RCW 43.79.465 and 2010 1st sp.s. c 37 s 929 are each
2 amended to read as follows:

3 The education savings account is created in the state treasury.
4 The account shall consist of all moneys appropriated to the account by
5 the legislature.

6 (1) Ten percent of legislative appropriations to the education
7 savings account shall be distributed as follows: (a) Fifty percent to
8 the distinguished professorship trust fund under RCW 28B.76.565; (b)
9 seventeen percent to the graduate fellowship trust fund under RCW
10 28B.76.610; and (c) thirty-three percent to the college faculty awards
11 trust fund under RCW 28B.50.837.

12 (2) The remaining moneys in the education savings account may be
13 appropriated solely for (a) common school construction projects that
14 are eligible for funding from the common school construction account,
15 (b) technology improvements in the common schools, (c) during the 2001-
16 03 fiscal biennium, technology improvements in public higher education
17 institutions, (d) during the 2007-2009 fiscal biennium, the legislature
18 may transfer from the education savings account to the state general
19 fund such amounts as reflect the excess fund balance of the account
20 attributable to unspent state general fund appropriations for fiscal
21 year 2008, and (e) for fiscal year (~~(2010)~~) 2011, the legislature may
22 transfer from the education savings account to the state general fund
23 such amounts as reflect the fund balance of the account attributable to
24 unspent general fund appropriations for fiscal year (~~(2009)~~) 2010.

25 **Sec. 912.** RCW 43.83B.430 and 2002 c 371 s 910 are each amended to
26 read as follows:

27 The state drought preparedness account is created in the state
28 treasury. All receipts from appropriated funds designated for the
29 account and funds transferred from the state emergency water projects
30 revolving account must be deposited into the account. Moneys in the
31 account may be spent only after appropriation. Expenditures from the
32 account may be used only for drought preparedness. During the (~~(2001-~~
33 ~~2003)~~) 2009-2011 fiscal biennium, the legislature may transfer from the
34 state drought preparedness account to the state general fund such
35 amounts as reflect the excess fund balance of the account.

1 **Sec. 913.** RCW 43.105.080 and 2010 1st sp.s. c 37 s 931 are each
2 amended to read as follows:

3 There is created a revolving fund to be known as the data
4 processing revolving fund in the custody of the state treasurer. The
5 revolving fund shall be used for the acquisition of equipment,
6 software, supplies, and services and the payment of salaries, wages,
7 and other costs incidental to the acquisition, development, operation,
8 and administration of information services, telecommunications,
9 systems, software, supplies and equipment, including the payment of
10 principal and interest on bonds issued for capital projects, by the
11 department, Washington State University's computer services center, the
12 department of personnel's personnel information systems division, the
13 office of financial management's financial systems management group,
14 and other users as jointly determined by the department and the office
15 of financial management. The revolving fund is subject to the
16 allotment procedure provided under chapter 43.88 RCW. Disbursements
17 from the revolving fund for the services component of the department
18 are not subject to appropriation. Disbursements for the strategic
19 planning and policy component of the department are subject to
20 appropriation. All disbursements from the fund are subject to the
21 allotment procedures provided under chapter 43.88 RCW. The department
22 shall establish and implement a billing structure to assure all
23 agencies pay an equitable share of the costs.

24 During the 2009-2011 fiscal biennium, the legislature may transfer
25 from the data processing revolving account to the state general fund
26 such amounts as reflect the excess fund balance (~~associated with the~~
27 ~~information technology pool~~)).

28 As used in this section, the word "supplies" shall not be
29 interpreted to delegate or abrogate the division of purchasing's
30 responsibilities and authority to purchase supplies as described in RCW
31 43.19.190 and 43.19.200.

32 NEW SECTION. **Sec. 914.** A new section is added to chapter 43.135
33 RCW to read as follows:

34 To implement the voters' purpose in enacting Initiative Measure
35 Nos. 960 and 1053, it is the intent of the legislature that
36 authorizations for fee increases and new fees pursuant to RCW

1 43.135.055 be contained in separate legislation and not in omnibus
2 appropriations legislation.

3 **Sec. 915.** RCW 43.185C.060 and 2007 c 427 s 6 are each amended to
4 read as follows:

5 The home security fund account is created in the state treasury,
6 subject to appropriation. The state's portion of the surcharge
7 established in RCW 36.22.179 and 36.22.1791 must be deposited in the
8 account. Expenditures from the account may be used only for homeless
9 housing programs as described in this chapter. During the 2009-2011
10 fiscal biennium the legislature may transfer from the home security
11 fund account to the state general fund such amounts as reflect the
12 excess fund balance of the account.

13 **Sec. 916.** RCW 43.185C.215 and 2008 c 256 s 2 are each amended to
14 read as follows:

15 The transitional housing operating and rent account is created in
16 the custody of the state treasurer. All receipts from sources directed
17 to the transitional housing operating and rent program must be
18 deposited into the account. Expenditures from the account may be used
19 solely for the purpose of the transitional housing operating and rent
20 program as described in RCW 43.185C.210. Only the director of the
21 department or the director's designee may authorize expenditures from
22 the account. The account is subject to allotment procedures under
23 chapter 43.88 RCW, but an appropriation is not required for
24 expenditures. During the 2009-2011 fiscal biennium, the legislature
25 may transfer from the transitional housing operating and rent account
26 to the state general fund such amounts as reflect the excess fund
27 balance of the account.

28 **Sec. 917.** RCW 46.66.080 and 2009 c 564 s 945 are each amended to
29 read as follows:

30 (1) The Washington auto theft prevention authority account is
31 created in the state treasury, subject to appropriation. All revenues
32 from the traffic infraction surcharge in RCW 46.63.110(7)(b) and all
33 receipts from gifts, grants, bequests, devises, or other funds from
34 public and private sources to support the activities of the auto theft
35 prevention authority must be deposited into the account. Expenditures

1 from the account may be used only for activities relating to motor
2 vehicle theft, including education, prevention, law enforcement,
3 investigation, prosecution, and confinement. During the 2009-2011
4 fiscal biennium, the legislature may appropriate moneys from the
5 Washington auto theft prevention authority account for criminal justice
6 purposes and community building and may transfer funds to the state
7 general fund such amounts as reflect the excess fund balance of the
8 account.

9 (2) The authority shall allocate moneys appropriated from the
10 account to public agencies for the purpose of establishing,
11 maintaining, and supporting programs that are designed to prevent motor
12 vehicle theft, including:

13 (a) Financial support to prosecution agencies to increase the
14 effectiveness of motor vehicle theft prosecution;

15 (b) Financial support to a unit of local government or a team
16 consisting of units of local governments to increase the effectiveness
17 of motor vehicle theft enforcement;

18 (c) Financial support for the procurement of equipment and
19 technologies for use by law enforcement agencies for the purpose of
20 enforcing motor vehicle theft laws; and

21 (d) Financial support for programs that are designed to educate and
22 assist the public in the prevention of motor vehicle theft.

23 (3) The costs of administration shall not exceed ten percent of the
24 moneys in the account in any one year so that the greatest possible
25 portion of the moneys available to the authority is expended on
26 combating motor vehicle theft.

27 (4) Prior to awarding any moneys from the Washington auto theft
28 prevention authority account for motor vehicle theft enforcement, the
29 auto theft prevention authority must verify that the financial award
30 includes sufficient funding to cover proposed activities, which
31 include, but are not limited to: (a) State, municipal, and county
32 offender and juvenile confinement costs; (b) administration costs; (c)
33 law enforcement costs; (d) prosecutor costs; and (e) court costs, with
34 a priority being given to ensuring that sufficient funding is available
35 to cover state, municipal, and county offender and juvenile confinement
36 costs.

37 (5) Moneys expended from the Washington auto theft prevention

1 authority account under subsection (2) of this section shall be used to
2 supplement, not supplant, other moneys that are available for motor
3 vehicle theft prevention.

4 (6) Grants provided under subsection (2) of this section constitute
5 reimbursement for purposes of RCW 43.135.060(1).

6 **Sec. 918.** RCW 43.350.070 and 2005 c 424 s 8 are each amended to
7 read as follows:

8 The life sciences discovery fund is created in the custody of the
9 state treasurer. Only the board or the board's designee may authorize
10 expenditures from the fund. Expenditures from the fund may be made
11 only for purposes of this chapter. Administrative expenses of the
12 authority, including staff support, may be paid only from the fund.
13 Revenues to the fund consist of transfers made by the legislature from
14 strategic contribution payments deposited in the tobacco settlement
15 account under RCW 43.79.480, moneys received pursuant to contribution
16 agreements entered into pursuant to RCW 43.350.030, moneys received
17 from gifts, grants, and bequests, and interest earned on the fund.
18 During the 2009-2011 fiscal biennium, the legislature may transfer to
19 the state general fund such amounts as represent the excess balance of
20 the life sciences discovery fund.

21 **Sec. 919.** RCW 51.44.170 and 2003 1st sp.s. c 25 s 926 are each
22 amended to read as follows:

23 The industrial insurance premium refund account is created in the
24 custody of the state treasurer. All industrial insurance refunds
25 earned by state agencies or institutions of higher education under the
26 state fund retrospective rating program shall be deposited into the
27 account. The account is subject to the allotment procedures under
28 chapter 43.88 RCW, but no appropriation is required for expenditures
29 from the account. Only the executive head of the agency or institution
30 of higher education, or designee, may authorize expenditures from the
31 account. No agency or institution of higher education may make an
32 expenditure from the account for an amount greater than the refund
33 earned by the agency. If the agency or institution of higher education
34 has staff dedicated to workers' compensation claims management,
35 expenditures from the account must be used to pay for that staff, but
36 additional expenditure from the account may be used for any program

1 within an agency or institution of higher education that promotes or
2 provides incentives for employee workplace safety and health and early,
3 appropriate return-to-work for injured employees. During the ((2003-
4 2005)) 2009-2011 fiscal biennium, the legislature may transfer from the
5 industrial insurance premium refund account to the state general fund
6 such amounts as reflect the excess fund balance of the account.

7 **Sec. 920.** RCW 66.08.235 and 2005 c 151 s 4 are each amended to
8 read as follows:

9 The liquor control board construction and maintenance account is
10 created within the state treasury. The liquor control board shall
11 deposit into this account a portion of the board's markup, as
12 authorized by chapter 66.16 RCW, placed upon liquor as determined by
13 the board. Moneys in the account may be spent only after
14 appropriation. The liquor control board shall use deposits to this
15 account to fund construction and maintenance of a centralized
16 distribution center for liquor products intended for sale through the
17 board's liquor store and contract liquor store system. During the
18 ((2001-2003)) 2009-2011 fiscal biennium, the legislature may transfer
19 from the liquor control board construction and maintenance account to
20 the state general fund such amounts as reflect the ((~~appropriations~~
21 ~~reductions made by the 2002 supplemental appropriations act for~~
22 ~~administrative efficiencies and savings~~)) excess fund balance in the
23 account.

24 **Sec. 921.** RCW 82.14.380 and 1999 c 311 s 201 are each amended to
25 read as follows:

26 (1) The distressed county assistance account is created in the
27 state treasury. Into this account shall be placed a portion of all
28 motor vehicle excise tax receipts as provided in RCW 82.44.110. At
29 such times as distributions are made under RCW 82.44.150, the state
30 treasurer shall distribute the funds in the distressed county
31 assistance account to each county imposing the sales and use tax
32 authorized under RCW 82.14.370 as of January 1, 1999, in the same
33 proportions as distributions of the tax imposed under RCW 82.14.370 for
34 these counties for the previous quarter.

35 (2) Funds distributed from the distressed county assistance account
36 shall be expended by the counties for criminal justice and other

1 purposes. During the 2009-2011 fiscal biennium, the legislature may
2 transfer from the distressed county assistance account to the state
3 general fund such amounts as reflect the excess fund balance of the
4 account.

5 NEW SECTION. Sec. 922. If any provision of this act or its
6 application to any person or circumstance is held invalid, the
7 remainder of the act or the application of the provision to other
8 persons or circumstances is not affected.

9 NEW SECTION. Sec. 923. This act is necessary for the immediate
10 preservation of the public peace, health, or safety, or support of the
11 state government and its existing public institutions, and takes effect
12 immediately.

(End of bill)

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1 Correct the title.

EFFECT: The striking amendment makes numerous changes to appropriations. Net Near General Fund--State reductions to current appropriations are \$251.3 million (SHB 1086 reduces current appropriations by \$222.2 million), and various fund transfers to the state general fund are made, netting to a total of \$110.4 million (SHB 1086 transfers \$123.8 million). The striking amendment removes various fee reauthorization provisions, including those related to the State Transportation Commission. Other changes are made. Please see the summary document and agency detail posted on the web at <http://leap.leg.wa.gov/leap/budget/detail/2011/ho2011p.asp>.

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