



2012 Supplemental Operating Budget

PSHB 2127

February 21, 2012

Representative Hunter, Chair
House Ways and Means Committee

1 AN ACT Relating to fiscal matters; amending RCW 15.76.115,
2 43.320.110, 43.338.030, 49.70.170, 70.95.521, 77.12.201, 77.12.203,
3 79.64.020, 79.64.100, 79.70.130, 79.71.130, 79.105.150, and 80.01.080;
4 amending 2011 2nd sp.s. c 9 ss 101, 102, 103, 104, 107, 108, 109, 110,
5 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 125,
6 128, 129, 130, 131, 132, 201, 202, 203, 204, 205, 206, 207, 208, 209,
7 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 301, 302,
8 303, 304, 305, 306, 307, 308, 309, 310, 311, 401, 402, 501, 502, 503,
9 504, 505, 507, 508, 509, 510, 511, 513, 514, 515, 601, 602, 603, 604,
10 605, 606, 607, 612, 613, 614, 701, 702, 707, and 801; reenacting and
11 amending RCW 79.64.040; amending 2011 1st sp.s. c 50 ss 103, 104, 105,
12 106, 108, 115, 117, 120, 124, 128, 132, 133, 137, 151, 214, 516, 602,
13 616, 712, 714, 715, 801, 802, 803, 910, 920, 921, and 922 (uncodified);
14 amending 2010 c 23 s 205 (uncodified); adding new sections to 2011 1st
15 sp.s. c 50 (uncodified); repealing 2011 2nd sp.s. c 9 ss 610, 611, and
16 705; making appropriations; and declaring an emergency.

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

18 **PART I**
19 **GENERAL GOVERNMENT**

1 **Sec. 101.** 2011 2nd sp.s. c 9 s 101 (uncodified) is amended to read
2 as follows:

3 **FOR THE HOUSE OF REPRESENTATIVES**

4	General Fund--State Appropriation (FY 2012)	((\$29,934,000))
5		<u>\$29,736,000</u>
6	General Fund--State Appropriation (FY 2013)	((\$30,465,000))
7		<u>\$28,425,000</u>
8	Motor Vehicle Account--State Appropriation	\$1,316,000
9	TOTAL APPROPRIATION	((\$61,715,000))
10		<u>\$59,477,000</u>

11 The appropriations in this section are subject to the following
12 conditions and limitations: \$50,000 of the general fund--state
13 appropriation for fiscal year 2013 is provided solely to implement
14 Engrossed House Bill No. 2602 (junior taxing districts). If the bill
15 is not enacted by June 30, 2012, the amount provided in this subsection
16 shall lapse.

17 **Sec. 102.** 2011 2nd sp.s. c 9 s 102 (uncodified) is amended to read
18 as follows:

19 **FOR THE SENATE**

20	General Fund--State Appropriation (FY 2012)	((\$21,770,000))
21		<u>\$21,458,000</u>
22	General Fund--State Appropriation (FY 2013)	((\$23,864,000))
23		<u>\$21,938,000</u>
24	Motor Vehicle Account--State Appropriation	\$1,400,000
25	TOTAL APPROPRIATION	((\$47,034,000))
26		<u>\$44,796,000</u>

27 The appropriations in this section are subject to the following
28 conditions and limitations: \$50,000 of the general fund--state
29 appropriation for fiscal year 2013 is provided solely to implement
30 Engrossed House Bill No. 2602 (junior taxing districts). If the bill
31 is not enacted by June 30, 2012, the amount provided in this subsection
32 shall lapse.

33 **Sec. 103.** 2011 1st sp.s. c 50 s 103 (uncodified) is amended to
34 read as follows:

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

36	General Fund--State Appropriation (FY 2012)	((\$2,680,000))
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1		<u>\$2,592,000</u>
2	General Fund--State Appropriation (FY 2013)	((\$2,741,000))
3		<u>\$2,558,000</u>
4	Medical Aid Account--State Appropriation	\$85,000
5	Accident Account--State Appropriation	\$85,000
6	TOTAL APPROPRIATION	((\$5,591,000))
7		<u>\$5,320,000</u>

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

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

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

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

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

34 (b) A description of how the employee incentive payment program at
35 the state lottery commission operates, and comparison to best practices
36 for outcome-based performance payments.

37 (4) \$85,000 of the medical aid account--state appropriation and
38 \$85,000 of the accident account--state appropriation are provided

1 solely for the purposes of House Bill No. 2123 (workers' compensation).
2 If the bill is not enacted by June 30, 2011, the amounts provided in
3 this subsection shall lapse.

4 (5) The joint legislative audit and review committee shall review
5 and provide an update on the extent to which the Puget Sound
6 partnership's 2012 action agenda, state of the sound report, and other
7 activities implement the recommendations of the joint legislative audit
8 and review committee's 2011 audit entitled "Processes required to
9 measure Puget Sound restoration are not yet in place." The update must
10 be provided to the relevant policy committees of the senate and house
11 of representatives by January 1, 2013.

12 **Sec. 104.** 2011 1st sp.s. c 50 s 104 (uncodified) is amended to
13 read as follows:

14 **FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE**

15	General Fund--State Appropriation (FY 2012)	(((\$2,027,000))
16		<u>\$1,940,000</u>
17	General Fund--State Appropriation (FY 2013)	(((\$2,193,000))
18		<u>\$2,106,000</u>
19	TOTAL APPROPRIATION	(((\$4,220,000))
20		<u>\$4,046,000</u>

21 **Sec. 105.** 2011 1st sp.s. c 50 s 105 (uncodified) is amended to
22 read as follows:

23 **FOR THE OFFICE OF THE STATE ACTUARY**

24	((General Fund--State Appropriation (FY 2012)	\$24,000
25	General Fund--State Appropriation (FY 2013)	\$24,000))
26	Department of Retirement Systems Expense	
27	Account--State Appropriation	\$3,344,000
28	((TOTAL APPROPRIATION	\$3,392,000))

29 The appropriations in this section are subject to the following
30 conditions and limitations: \$75,000 of the department of retirement
31 services account--state appropriation is for the state actuary to study
32 the issue of merging the law enforcement officers' and fire fighters'
33 retirement system plans 1 and 2 into a single retirement plan. The
34 department of retirement systems shall assist the state actuary by
35 providing such information and advice as the state actuary requests,
36 and the state actuary may contract for services as needed to conduct

1 the study. The results of the study shall be reported to the ways and
2 means committees of the house of representatives and the senate by
3 December 15, 2011.

4 (1) Among the issues related to the merger of the law enforcement
5 officers' and fire fighters' retirement system plans 1 and 2 into a
6 single retirement plan that shall be examined:

7 (a) Changes to the assets available to pay for the benefits of each
8 plan before and after a merger based on a range of possible economic
9 and demographic experience; and

10 (b) Changes to the projected contributions that might be required
11 of members, employers, and the state based on a range of possible
12 economic and demographic experience and a variety of funding policies,
13 including both continued application of current funding policy to the
14 benefit obligations of each plan, and application of the law
15 enforcement officers' and fire fighters' retirement system plan 2
16 funding policies to the combined benefits of both plans;

17 (2) The state actuary shall solicit the input of the law
18 enforcement officers' and fire fighters' retirement system plan 2
19 retirement board and organizations representing members and retirees of
20 the law enforcement officers' and fire fighters' retirement system plan
21 1 on the issue of the merger of the two plans, and include
22 representative submissions of the input of the organizations along with
23 the report.

24 **Sec. 106.** 2011 1st sp.s. c 50 s 106 (uncodified) is amended to
25 read as follows:

26 **FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**

27	General Fund--State Appropriation (FY 2012)	(((\$8,016,000)))
28		<u>\$7,753,000</u>
29	General Fund--State Appropriation (FY 2013)	(((\$7,911,000)))
30		<u>\$7,602,000</u>
31	TOTAL APPROPRIATION	(((\$15,927,000)))
32		<u>\$15,355,000</u>

33 **Sec. 107.** 2011 2nd sp.s. c 9 s 103 (uncodified) is amended to read
34 as follows:

35 **FOR THE STATUTE LAW COMMITTEE**

36	General Fund--State Appropriation (FY 2012)	(((\$4,248,000)))
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1 \$4,188,000
 2 General Fund--State Appropriation (FY 2013) (~~(\$4,689,000)~~)
 3 \$4,491,000
 4 TOTAL APPROPRIATION (~~(\$8,937,000)~~)
 5 \$8,679,000

6 **Sec. 108.** 2011 1st sp.s. c 50 s 108 (uncodified) is amended to
 7 read as follows:

8 **FOR THE REDISTRICTING COMMISSION**

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

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

14 (1) \$443,000 of the general fund--state appropriation for fiscal
 15 year 2012 is provided solely for the support of legislative
 16 redistricting efforts. The commission shall enter into an interagency
 17 agreement with the house of representatives and the senate for the
 18 expenditure of these funds.

19 (2) The entire general fund--state appropriation for fiscal year
 20 2013 is provided solely for the payment of expenses associated with the
 21 cessation of the commission's operations. The secretary of the senate
 22 and chief clerk of the house of representatives may jointly authorize
 23 the expenditure of these funds.

24 NEW SECTION. **Sec. 109.** A new section is added to 2011 1st sp.s.
 25 c 50 (uncodified) to read as follows:

26 **FOR THE OFFICE OF LEGISLATIVE SUPPORT SERVICES**

27 General Fund--State Appropriation (FY 2013) \$3,016,000

28 **Sec. 110.** 2011 2nd sp.s. c 9 s 104 (uncodified) is amended to read
 29 as follows:

30 **FOR THE SUPREME COURT**

31 General Fund--State Appropriation (FY 2012) (~~(\$6,724,000)~~)
 32 \$6,695,000
 33 General Fund--State Appropriation (FY 2013) (~~(\$6,738,000)~~)
 34 \$6,693,000
 35 TOTAL APPROPRIATION (~~(\$13,462,000)~~)

1 \$13,388,000

2 **Sec. 111.** 2011 2nd sp.s. c 9 s 107 (uncodified) is amended to read
3 as follows:

4 **FOR THE ADMINISTRATOR FOR THE COURTS**

5 General Fund--State Appropriation (FY 2012)	((\$50,692,000))
	<u>\$47,712,000</u>
6 General Fund--State Appropriation (FY 2013)	((\$50,235,000))
7	<u>\$39,268,000</u>
8 General Fund--Federal Appropriation	\$2,532,000
9 General Fund--Private/Local Appropriation	\$390,000
10 Judicial Information Systems Account--State	
11 Appropriation	\$42,414,000
12 Judicial Stabilization Trust Account--State	
13 Appropriation	((\$5,414,000))
14	<u>\$5,654,000</u>
15 TOTAL APPROPRIATION	((\$151,677,000))
16	<u>\$137,970,000</u>
17	

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

20 (1) ((~~\$1,800,000~~)) \$1,350,000 of the general fund--state
21 appropriation for fiscal year 2012 ((~~and \$1,800,000 of the general~~
22 ~~fund--state appropriation for fiscal year 2013 are~~)) is provided solely
23 for school districts for petitions to juvenile court for truant
24 students as provided in RCW 28A.225.030 and 28A.225.035. The office of
25 the administrator for the courts shall develop an interagency agreement
26 with the superintendent of public instruction to allocate the funding
27 provided in this subsection. Allocation of this money to school
28 districts shall be based on the number of petitions filed. This
29 funding includes amounts school districts may expend on the cost of
30 serving petitions filed under RCW 28A.225.030 by certified mail or by
31 personal service or for the performance of service of process for any
32 hearing associated with RCW 28A.225.030.

33 (2)((~~(a) \$8,252,000~~)) \$6,952,000 of the general fund--state
34 appropriation for fiscal year 2012 ((~~and \$8,253,000 of the general~~
35 ~~fund--state appropriation for fiscal year 2013 are~~)) is provided solely
36 for distribution to county juvenile court administrators to fund the
37 costs of processing truancy, children in need of services, and at-risk

1 youth petitions. The administrator for the courts, in conjunction with
2 the juvenile court administrators, shall develop an equitable funding
3 distribution formula. The formula shall neither reward counties with
4 higher than average per-petition processing costs nor shall it penalize
5 counties with lower than average per-petition processing costs.

6 ~~((b) Each fiscal year during the 2011-2013 fiscal biennium, each
7 county shall report the number of petitions processed and the total
8 actual costs of processing truancy, children in need of services, and
9 at-risk youth petitions. Counties shall submit the reports to the
10 administrator for the courts no later than 45 days after the end of the
11 fiscal year. The administrator for the courts shall electronically
12 transmit this information to the chairs and ranking minority members of
13 the house of representatives and senate ways and means committees no
14 later than 60 days after a fiscal year ends. These reports are deemed
15 informational in nature and are not for the purpose of distributing
16 funds.))~~

17 (3) The distributions made under this subsection and distributions
18 from the county criminal justice assistance account made pursuant to
19 section 801 of this act constitute appropriate reimbursement for costs
20 for any new programs or increased level of service for purposes of RCW
21 43.135.060.

22 (4) \$265,000 of the general fund--state appropriation for fiscal
23 year 2012 is provided solely for the office of public guardianship to
24 provide guardianship services for low-income incapacitated persons.

25 (5) \$1,178,000 of the judicial information systems account--state
26 appropriation is provided solely for replacing computer equipment at
27 state courts and state judicial agencies.

28 (6) No later than September 30, 2011, the judicial information
29 systems committee shall provide a report to the legislature on the
30 recommendations of the case management feasibility study, including
31 plans for a replacement of the superior court management information
32 system (SCOMIS) and plans for completing the data exchange core system
33 component consistent with a complete data exchange standard. No later
34 than December 31, 2011, the judicial information systems committee
35 shall provide a report to the legislature on the status of the data
36 exchange, the procurement process for a SCOMIS replacement, and a case
37 management system that is designed to meet the requirements approved by

1 the superior courts and county clerks of all thirty-nine counties. The
2 legislature shall solicit input on both reports from judicial,
3 legislative, and executive stakeholders.

4 (7) In order to gather better data on juveniles in the criminal
5 justice system, the administrative office of the courts shall modify
6 the judgment and sentence form for juvenile and adult sentences to
7 include one or more check boxes indicating whether (a) the adult
8 superior court had original jurisdiction for a defendant who was
9 younger than eighteen years of age at the time the case was filed; (b)
10 the case was originally filed in juvenile court but transferred to
11 adult superior court jurisdiction; or (c) the case was originally filed
12 in adult superior court or transferred to adult superior court but then
13 returned to the juvenile court.

14 (8) \$274,000 of the general fund--state appropriation for fiscal
15 year 2013 and \$240,000 of the judicial stabilization trust account--
16 state appropriation are provided solely for the office of public
17 guardianship to continue guardianship services for those low-income
18 incapacitated persons who were receiving services on June 30, 2012.

19 **Sec. 112.** 2011 2nd sp.s. c 9 s 108 (uncodified) is amended to read
20 as follows:

21 **FOR THE OFFICE OF PUBLIC DEFENSE**

22 General Fund--State Appropriation (FY 2012)	((\$25,030,000))
	<u>\$22,746,000</u>
24 General Fund--State Appropriation (FY 2013)	((\$24,972,000))
	<u>\$21,916,000</u>
26 Judicial Stabilization Trust Account--State	
27 Appropriation	((\$2,490,000))
	<u>\$3,770,000</u>
29 TOTAL APPROPRIATION	((\$52,492,000))
	<u>\$48,432,000</u>

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

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

35 (2) By December 1, 2011, the office of public defense shall submit
36 to the appropriate policy and fiscal committees of the legislature a
37 proposal for office of public defense to assume the effective and

1 efficient administration of defense services for indigent persons
2 throughout the state who are involved in proceedings under chapter
3 71.09 RCW. In developing its proposal, the office of public defense
4 should consult with interested stakeholders, including the King county
5 public defender, the Washington defender association, the Washington
6 association of criminal defense lawyers, the administrative office of
7 the courts, the superior court judges association, the office of the
8 attorney general, the King county prosecuting attorney, the Washington
9 association of counties, and the department of social and health
10 services. At a minimum, the proposal should identify:

11 (a) Procedures to control costs and require accountability,
12 consistent with the state's obligation to ensure the right to counsel
13 under both the United States Constitution and the Washington
14 Constitution;

15 (b) Appropriate practice standards for trial-level defense of
16 indigent persons involved in proceedings under chapter 71.09 RCW, an
17 estimated number of attorneys statewide who are qualified to provide
18 such representation, and reasonable compensation for such defense
19 services;

20 (c) The total budget necessary to implement the proposal statewide
21 for fiscal year 2013, including administrative support; and

22 (d) Possible savings to the state and counties that might result
23 from implementing the proposal.

24 (3) \$6,065,000 of the general fund--state appropriation for fiscal
25 year 2013 is provided solely to administer the representation of
26 indigent respondents qualified for appointed counsel in sexually
27 violent predator civil commitment cases.

28 **Sec. 113.** 2011 1st sp.s. c 50 s 115 (uncodified) is amended to
29 read as follows:

30 **FOR THE OFFICE OF CIVIL LEGAL AID**

31	General Fund--State Appropriation (FY 2012)	((\$11,038,000))
32		<u>\$10,900,000</u>
33	General Fund--State Appropriation (FY 2013)	((\$11,048,000))
34		<u>\$10,496,000</u>
35	Judicial Stabilization Trust Account--State	
36	Appropriation	\$1,093,000
37	TOTAL APPROPRIATION	((\$23,179,000))

1 \$22,489,000

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

10 **Sec. 114.** 2011 2nd sp.s. c 9 s 109 (uncodified) is amended to read
11 as follows:

12 **FOR THE OFFICE OF THE GOVERNOR**

13	General Fund--State Appropriation (FY 2012)	(\$5,311,000)
14		<u>\$5,247,000</u>
15	General Fund--State Appropriation (FY 2013)	(\$5,292,000)
16		<u>\$5,291,000</u>
17	Economic Development Strategic Reserve Account--State	
18	Appropriation	\$1,500,000
19	TOTAL APPROPRIATION	(\$12,103,000)
20		<u>\$12,038,000</u>

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

23 (1) \$1,500,000 of the economic development strategic reserve
24 account appropriation is provided solely for efforts to assist with
25 currently active industrial recruitment efforts that will bring new
26 jobs to the state or will retain headquarter locations of major
27 companies currently housed in the state.

28 (2) ~~(\$547,000)~~ \$540,000 of the general fund--state appropriation
29 for fiscal year 2012 and ~~(\$547,000)~~ \$526,000 of the general fund--
30 state appropriation for fiscal year 2013 are provided solely for the
31 office of the education ombudsman.

32 **Sec. 115.** 2011 1st sp.s. c 50 s 117 (uncodified) is amended to
33 read as follows:

34 **FOR THE LIEUTENANT GOVERNOR**

35	General Fund--State Appropriation (FY 2012)	(\$687,000)
36		<u>\$678,000</u>

1 General Fund--State Appropriation (FY 2013) ((~~\$698,000~~))
2 \$663,000
3 General Fund--Private/Local Appropriation \$90,000
4 TOTAL APPROPRIATION ((~~\$1,475,000~~))
5 \$1,431,000

6 **Sec. 116.** 2011 2nd sp.s. c 9 s 110 (uncodified) is amended to read
7 as follows:

8 **FOR THE PUBLIC DISCLOSURE COMMISSION**

9 General Fund--State Appropriation (FY 2012) ((~~\$2,106,000~~))
10 \$2,080,000
11 General Fund--State Appropriation (FY 2013) ((~~\$2,129,000~~))
12 \$2,023,000
13 TOTAL APPROPRIATION ((~~\$4,235,000~~))
14 \$4,103,000

15 The appropriations in this section are subject to the following
16 conditions and limitations: \$43,000 of the general fund--state
17 appropriation for fiscal year 2012 and \$82,000 of the general fund--
18 state appropriation for fiscal year 2013 are provided solely for the
19 implementation of Engrossed Substitute Senate Bill No. 5021 (election
20 campaign disclosure).

21 **Sec. 117.** 2011 2nd sp.s. c 9 s 111 (uncodified) is amended to read
22 as follows:

23 **FOR THE SECRETARY OF STATE**

24 General Fund--State Appropriation (FY 2012) ((~~\$16,014,000~~))
25 \$16,069,000
26 General Fund--State Appropriation (FY 2013) ((~~\$12,862,000~~))
27 \$12,806,000
28 General Fund--Federal Appropriation \$7,338,000
29 Public Records Efficiency, Preservation, and Access
30 Account--State Appropriation ((~~\$7,950,000~~))
31 \$7,156,000
32 Charitable Organization Education Account--State
33 Appropriation ((~~\$452,000~~))
34 \$362,000
35 Local Government Archives Account--State
36 Appropriation ((~~\$10,557,000~~))

1 (i) Attempting to influence the passage or defeat of any
2 legislation by the legislature of the state of Washington, by any
3 county, city, town, or other political subdivision of the state of
4 Washington, or by the congress, or the adoption or rejection of any
5 rule, standard, rate, or other legislative enactment of any state
6 agency;

7 (ii) Making contributions reportable under chapter 42.17 RCW; or
8 (iii) Providing any: (A) Gift; (B) honoraria; or (C) travel,
9 lodging, meals, or entertainment to a public officer or employee.

10 (3) Any reductions to funding for the Washington talking book and
11 Braille library may not exceed in proportion any reductions taken to
12 the funding for the library as a whole.

13 **Sec. 118.** 2011 1st sp.s. c 50 s 120 (uncodified) is amended to
14 read as follows:

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

16	General Fund--State Appropriation (FY 2012)	(((\$259,000))
17		<u>\$256,000</u>
18	General Fund--State Appropriation (FY 2013)	(((\$267,000))
19		<u>\$254,000</u>
20	TOTAL APPROPRIATION	(((\$526,000))
21		<u>\$510,000</u>

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

33 **Sec. 119.** 2011 2nd sp.s. c 9 s 112 (uncodified) is amended to read
34 as follows:

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

36	General Fund--State Appropriation (FY 2012)	(((\$236,000))
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1		<u>\$233,000</u>
2	General Fund--State Appropriation (FY 2013)	((\$219,000))
3		<u>\$208,000</u>
4	TOTAL APPROPRIATION	((\$455,000))
5		<u>\$441,000</u>

6 **Sec. 120.** 2011 2nd sp.s. c 9 s 113 (uncodified) is amended to read
7 as follows:

8 **FOR THE STATE TREASURER**

9	State Treasurer's Service Account--State	
10	Appropriation	\$14,994,000

11 **Sec. 121.** 2011 2nd sp.s. c 9 s 114 (uncodified) is amended to read
12 as follows:

13 **FOR THE STATE AUDITOR**

14	State Auditing Services Revolving Account--State	
15	Appropriation	((\$10,293,000))
16		<u>\$9,253,000</u>
17	Performance Audit of Government Account--State	
18	Appropriation	\$1,461,000
19	TOTAL APPROPRIATION	((\$11,754,000))
20		<u>\$10,714,000</u>

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

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

28 (2) \$1,461,000 of the performance audits of government account
29 appropriation is provided solely for staff and related costs to verify
30 the accuracy of reported school district data submitted for state
31 funding purposes; conduct school district program audits of state
32 funded public school programs; establish the specific amount of state
33 funding adjustments whenever audit exceptions occur and the amount is
34 not firmly established in the course of regular public school audits;
35 and to assist the state special education safety net committee when
36 requested.

1 (3) Within the amounts appropriated in this section, the state
 2 auditor shall continue to complete the annual audit of the state's
 3 comprehensive annual financial report and the annual federal single
 4 audit consistent with the auditing standards generally accepted in the
 5 United States and the standards applicable to financial audits
 6 contained in government auditing standards, issued by the comptroller
 7 general of the United States, and OMB circular A-133, audits of states,
 8 local governments, and nonprofit organizations.

9 **Sec. 122.** 2011 1st sp.s. c 50 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 2012)	((\$158,000))
13		<u>\$149,000</u>
14	General Fund--State Appropriation (FY 2013)	((\$195,000))
15		<u>\$186,000</u>
16	TOTAL APPROPRIATION	((\$353,000))
17		<u>\$335,000</u>

18 **Sec. 123.** 2011 2nd sp.s. c 9 s 115 (uncodified) is amended to read
 19 as follows:

20 **FOR THE ATTORNEY GENERAL**

21	General Fund--State Appropriation (FY 2012)	\$4,758,000
22	General Fund--State Appropriation (FY 2013)	((\$2,727,000))
23		<u>\$8,470,000</u>
24	General Fund--Federal Appropriation	\$8,819,000
25	New Motor Vehicle Arbitration Account--State	
26	Appropriation	\$972,000
27	Legal Services Revolving Account--State	
28	Appropriation	((\$206,617,000))
29		<u>\$195,370,000</u>
30	Tobacco Prevention and Control Account--State	
31	Appropriation	\$270,000
32	TOTAL APPROPRIATION	((\$224,163,000))
33		<u>\$218,659,000</u>

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

1 (1) The attorney general shall report each fiscal year on actual
2 legal services expenditures and actual attorney staffing levels for
3 each agency receiving legal services. The report shall be submitted to
4 the office of financial management and the fiscal committees of the
5 senate and house of representatives no later than ninety days after the
6 end of each fiscal year. As part of its by agency report to the
7 legislative fiscal committees and the office of financial management,
8 the office of the attorney general shall include information detailing
9 the agency's expenditures for its agency-wide overhead and a breakdown
10 by division of division administration expenses.

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

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

23 (4) The attorney general shall enter into an interagency agreement
24 with the department of social and health services for expenditure of
25 the state's proceeds from the *cy pres* settlement in *State of Washington*
26 *v. AstraZeneca* (Seroquel) for the purposes set forth in sections 204
27 and 213 of this act.

28 (5) \$62,000 of the legal services revolving fund--state
29 appropriation is provided solely to implement House Bill No. 1770
30 (state purchasing). If the bill is not enacted by June 30, 2011, the
31 amount provided in this subsection shall lapse.

32 (6) \$5,924,000 of the legal services revolving account--state
33 appropriation is provided solely to implement House Bill No. 2123
34 (workers' compensation). If the bill is not enacted by June 30, 2011,
35 the amount provided in this subsection shall lapse.

36 (7) The office of the attorney general is authorized to expend
37 \$2,100,000 from the *Zyprexa* and other *cy pres* awards towards consumer

1 protection costs in accordance with uses authorized in the court
2 orders.

3 (8) \$96,000 of the legal services revolving fund--state
4 appropriation is provided solely to implement Senate Bill No. 5076
5 (financial institutions). If the bill is not enacted by June 30, 2011,
6 the amount provided in this subsection shall lapse.

7 (9) \$99,000 of the legal services revolving fund--state
8 appropriation is provided solely to implement Engrossed Second
9 Substitute Senate Bill No. 5769 (coal-fired generation). If the bill
10 is not enacted by June 30, 2011, the amount provided in this subsection
11 shall lapse.

12 (10) \$416,000 of the legal services revolving fund--state
13 appropriation is provided solely to implement Substitute Senate Bill
14 No. 5801 (industrial insurance system). If the bill is not enacted by
15 June 30, 2011, the amount provided in this subsection shall lapse.

16 (11) \$31,000 of the legal services revolving fund--state
17 appropriation is provided solely to implement Engrossed Substitute
18 Senate Bill No. 5021 (election campaign disclosure). If the bill is
19 not enacted by June 30, 2011, the amount provided in this subsection
20 shall lapse.

21 (12) The executive ethics board shall: (a) Develop a statewide
22 plan, with performance measures, to provide overall direction and
23 accountability in all executive branch agencies and statewide elected
24 offices; (b) coordinate and work with the commission on judicial
25 conduct and the legislative ethics board; (c) assess and evaluate each
26 agency's ethical culture through employee and stakeholder surveys,
27 review Washington state quality award feedback reports, and publish an
28 annual report on the results to the public; and (d) solicit outside
29 evaluations, studies, and recommendations for improvements from
30 academics, nonprofit organizations, the public disclosure commission,
31 or other entities with expertise in ethics, integrity, and the public
32 sector.

33 (13) \$11,000 of the legal services revolving fund--state
34 appropriation is provided solely to implement House Bill No. 2301
35 (boxing, martial arts, wrestling). If the bill is not enacted by June
36 30, 2012, the amount provided in this subsection shall lapse.

37 (14) \$28,000 of the legal services revolving fund--state

1 appropriation is provided solely to implement House Bill No. 2253
2 (state environmental policy act). If the bill is not enacted by June
3 30, 2012, the amount provided in this subsection shall lapse.

4 (15) \$56,000 of the legal services revolving fund--state
5 appropriation is provided solely to implement House Bill No. 2319
6 (affordable care act). If the bill is not enacted by June 30, 2012,
7 the amount provided in this subsection shall lapse.

8 (16) \$5,743,000 of the general fund--state appropriation for fiscal
9 year 2013 is provided solely for the legal costs associated with the
10 evaluation, filing, prosecution, response to petitions for release, and
11 appeal of sexually violent predator civil commitment cases, as provided
12 in chapter 71.09 RCW. Within the amount provided in this subsection,
13 the attorney general may enter into an interagency agreement with a
14 county prosecutor to perform prosecution services pursuant to chapter
15 71.09 RCW.

16 **Sec. 124.** 2011 2nd sp.s. c 9 s 116 (uncodified) is amended to read
17 as follows:

18 **FOR THE CASELOAD FORECAST COUNCIL**

19	General Fund--State Appropriation (FY 2012)	((\$1,310,000))
20		<u>\$1,292,000</u>
21	General Fund--State Appropriation (FY 2013)	((\$1,309,000))
22		<u>\$1,241,000</u>
23	TOTAL APPROPRIATION	((\$2,619,000))
24		<u>\$2,533,000</u>

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

27 (1) The appropriations in this section include funding for
28 activities transferred from the sentencing guidelines commission to the
29 caseload forecast council pursuant to Engrossed Substitute Senate Bill
30 No. 5891 (criminal justice cost savings). Prior to the effective date
31 of Engrossed Substitute Senate Bill No. 5891, the appropriations in
32 this section may be expended for the continued operations and expenses
33 of the sentencing guidelines commission pursuant to the expenditure
34 authority schedule produced by the office of financial management in
35 accordance with chapter 43.88 RCW.

36 (2) \$57,000 of the general fund--state appropriation for fiscal

1 year 2012 and \$57,000 of the general fund--state appropriation for
2 fiscal year 2013 are provided solely for the implementation of Senate
3 Bill No. 5304 (college bound scholarship).

4 **Sec. 125.** 2011 2nd sp.s. c 9 s 117 (uncodified) is amended to read
5 as follows:

6 **FOR THE DEPARTMENT OF COMMERCE**

7	General Fund--State Appropriation (FY 2012)	((\$57,261,000))
8		<u>\$56,012,000</u>
9	General Fund--State Appropriation (FY 2013)	((\$72,459,000))
10		<u>\$64,920,000</u>
11	General Fund--Federal Appropriation	((\$282,185,000))
12		<u>\$338,870,000</u>
13	General Fund--Private/Local Appropriation	((\$4,989,000))
14		<u>\$4,988,000</u>
15	Public Works Assistance Account--State	
16	Appropriation	\$2,764,000
17	Drinking Water Assistance Administrative	
18	Account--State Appropriation	\$437,000
19	Lead Paint Account--State Appropriation	\$65,000
20	Building Code Council Account--State Appropriation	\$13,000
21	Home Security Fund Account--State Appropriation	((\$16,652,000))
22		<u>\$21,032,000</u>
23	Affordable Housing for All Account--State	
24	Appropriation	\$11,902,000
25	County Research Services Account--State	
26	Appropriation	((\$1,081,000))
27		<u>\$783,000</u>
28	Financial Fraud and Identity Theft Crimes Investigation	
29	and Prosecution Account--State Appropriation	\$1,166,000
30	Low-Income Weatherization Assistance Account--State	
31	Appropriation	((\$5,778,000))
32		<u>\$2,430,000</u>
33	City and Town Research Services Account--State	
34	Appropriation	((\$5,166,000))
35		<u>\$2,578,000</u>
36	((Manufacturing Innovation and Modernization	
37	Account--State Appropriation	\$61,000)

1	Community and Economic Development Fee Account--State	
2	Appropriation	((\$6,488,000))
3		<u>\$6,786,000</u>
4	Washington Housing Trust Account--State	
5	Appropriation	\$17,498,000
6	Prostitution Prevention and Intervention Account--	
7	State Appropriation	\$86,000
8	Public Facility Construction Loan Revolving	
9	Account--State Appropriation	\$755,000
10	Washington Community Technology Opportunity Account--	
11	State Appropriation	\$713,000
12	<u>Liquor Revolving Account--State Appropriation</u>	<u>\$2,317,000</u>
13	TOTAL APPROPRIATION	((\$487,519,000))
14		<u>\$536,115,000</u>

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

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

24 (2) ((~~\$500,000~~)) \$470,000 of the general fund--state appropriation
25 for fiscal year 2012 and ((~~\$500,000~~)) \$320,000 of the general fund--
26 state appropriation for fiscal year 2013 are provided solely for a
27 grant to resolution Washington to building statewide capacity for
28 alternative dispute resolution centers and dispute resolution programs
29 that guarantee that citizens have access to low-cost resolution as an
30 alternative to litigation.

31 (3) ((~~\$306,000~~)) \$288,000 of the general fund--state appropriation
32 for fiscal year 2012 and ((~~\$306,000~~)) \$196,000 of the general fund--
33 state appropriation for fiscal year 2013 are provided solely for a
34 grant to the retired senior volunteer program.

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

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

4 (6) \$5,000,000 of the home security fund--state appropriation is
5 for the operation, repair, and staffing of shelters in the homeless
6 family shelter program.

7 (7) (~~(\$198,000)~~) \$186,000 of the general fund--state appropriation
8 for fiscal year 2012 and (~~(\$198,000)~~) \$127,000 of the general fund--
9 state appropriation for fiscal year 2013 are provided solely for the
10 Washington new Americans program.

11 (8) (~~(\$2,949,000)~~) \$2,772,000 of the general fund--state
12 appropriation for fiscal year 2012 and (~~(\$2,949,000)~~) \$1,887,000 of the
13 general fund--state appropriation for fiscal year 2013 are provided
14 solely for associate development organizations.

15 (9) \$127,000 of the general fund--federal appropriation is provided
16 solely for implementation of Substitute House Bill No. 1886
17 (Ruckelshaus center process). If the bill is not enacted by June 30,
18 2011, the amount provided in this subsection shall lapse.

19 (10) Up to \$200,000 of the general fund--private/local
20 appropriation is for a grant to the Washington tourism alliance for the
21 maintenance of the Washington state tourism web site
22 www.experiencewa.com and its related sub-sites. The department may
23 transfer ownership of the web site and other tourism promotion assets
24 and assign obligations to the Washington tourism alliance for purposes
25 of tourism promotion throughout the state. The alliance may use the
26 assets only in a manner consistent with the purposes for which they
27 were created. Any revenue generated from these assets must be used by
28 the alliance for the sole purposes of statewide Washington tourism
29 promotion. The legislature finds that the Washington tourism alliance,
30 a not-for-profit, 501.c.6 organization established, funded, and
31 governed by Washington tourism industry stakeholders to sustain
32 destination tourism marketing across Washington, is an appropriate body
33 to receive funding and assets from and assume obligations of the
34 department for the purposes described in this section.

35 (11) Within the appropriations in this section, specific funding is
36 provided to implement Substitute Senate Bill No. 5741 (economic
37 development commission).

1 (12) \$2,000,000 of the community and economic development fee
2 account appropriation is provided solely for the department of commerce
3 for services to homeless families through the Washington families fund.

4 (13) (~~(\$260,000)~~) \$244,000 of the general fund--state appropriation
5 for fiscal year 2012 and (~~(\$259,000)~~) \$166,000 of the general fund--
6 state appropriation for fiscal year 2013 are provided solely for the
7 Washington asset building coalitions.

8 (14) (~~(\$1,859,000)~~) \$1,747,000 of the general fund--state
9 appropriation for fiscal year 2012 and (~~(\$1,859,000)~~) \$1,190,000 of the
10 general fund--state appropriation for fiscal year 2013 are provided
11 solely for innovative research teams, also known as entrepreneurial
12 STARS, at higher education research institutions, and for
13 entrepreneurs-in-residence programs at higher education research
14 institutions and entrepreneurial assistance organizations. Of these
15 amounts no more than \$50,000 in fiscal year 2012 and no more than
16 \$50,000 in fiscal year 2013 may be provided for the operation of
17 entrepreneurs-in-residence programs at entrepreneurial assistance
18 organizations external to higher education research institutions.

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

24 (16) \$16,000 of the general fund--state appropriation for fiscal
25 year 2012 is provided solely to implement section 503 of Substitute
26 House Bill No. 1277 (licensed settings for vulnerable adults). The
27 long-term care ombudsman shall convene an adult family home quality
28 assurance panel to review problems concerning the quality of care for
29 residents in adult family homes. If Substitute House Bill No. 1277
30 (licensed settings for vulnerable adults) is not enacted by June 30,
31 2011, the amount provided in this subsection shall lapse.

32 (17) \$24,605,000 of the general fund--state appropriation for
33 fiscal year 2012 and \$39,527,000 of the general fund--state
34 appropriation for fiscal year 2013 are provided solely for
35 establishment of the essential needs and housing support program
36 created in Engrossed Substitute House Bill No. 2082 (essential needs
37 and assistance program). The department of commerce shall contract for
38 these services with counties or community-based organizations involved

1 in providing essential needs and housing supports to low-income persons
2 who meet eligibility pursuant to Engrossed Substitute House Bill No.
3 2082. The department shall limit the funding used for administration
4 of the program to no more than five percent. Counties and community
5 providers shall limit the funding used for administration of the
6 program to no more than seven percent.

7 (a) Of the amounts provided in this subsection, \$4,000,000 is
8 provided solely for essential needs to clients who meet the eligibility
9 established in Engrossed Substitute House Bill No. 2082. Counties and
10 community-based organizations shall distribute basic essential products
11 in a manner that prevents abuse. To the greatest extent possible, the
12 counties or community-based organizations shall leverage local or
13 private funds, and volunteer support to acquire and distribute the
14 basic essential products.

15 (b) Of the amounts provided in this subsection, ~~((\$30,000,000))~~
16 \$60,000,000 is provided solely for housing support services to
17 individuals who are homeless or who may become homeless, and are
18 eligible for services under this program pursuant to Engrossed
19 Substitute House Bill No. 2082.

20 ~~((c) Of the amounts provided in this subsection, \$30,000,000 is
21 provided solely as a contingency fund to provide housing support
22 services for individuals who may become homeless and are otherwise
23 eligible for this program pursuant to Engrossed Substitute House Bill
24 No. 2082.))~~

25 (18) \$4,380,000 of the home security fund--state appropriation is
26 provided solely for the department to provide homeless housing services
27 in accordance with Engrossed Substitute House Bill No. 2048 (housing
28 assistance surcharges). If Engrossed Substitute House Bill No. 2048
29 (housing assistance surcharges) is not enacted by June 30, 2012, the
30 amounts provided in this subsection shall lapse.

31 (19) \$42,000 of the general fund--state appropriation for fiscal
32 year 2012 and \$85,000 of the general fund--state appropriation for
33 fiscal year 2013 are provided solely for the developmental disabilities
34 council to contract for a family-to-family mentor program to provide
35 information and support to families and guardians of persons who are
36 transitioning out of residential habilitation centers. To the maximum
37 extent allowable under federal law, these funds shall be matched under

1 medicaid through the department of social and health services and
2 federal funds shall be transferred to the department for the purposes
3 stated in this subsection.

4 (20) \$242,000 of the general fund--state appropriation for fiscal
5 year 2013, \$243,000 of the county research services account--state
6 appropriation for fiscal year 2013, and \$2,317,000 of the liquor
7 revolving account--state appropriation are provided solely for the
8 department to contract with the municipal research and services center
9 of Washington.

10 **Sec. 126.** 2011 1st sp.s. c 50 s 128 (uncodified) is amended to
11 read as follows:

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

13	General Fund--State Appropriation (FY 2012)	((\$674,000))
14		<u>\$665,000</u>
15	General Fund--State Appropriation (FY 2013)	((\$728,000))
16		<u>\$693,000</u>
17	Lottery Administrative Account--State Appropriation	\$50,000
18	TOTAL APPROPRIATION	((\$1,452,000))
19		<u>\$1,408,000</u>

20 **Sec. 127.** 2011 2nd sp.s. c 9 s 118 (uncodified) is amended to read
21 as follows:

22 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

23	General Fund--State Appropriation (FY 2012)	((\$18,627,000))
24		<u>\$17,220,000</u>
25	General Fund--State Appropriation (FY 2013)	((\$18,851,000))
26		<u>\$17,062,000</u>
27	General Fund--Federal Appropriation	\$31,534,000
28	General Fund--Private/Local Appropriation	((\$1,270,000))
29		<u>\$1,370,000</u>
30	Performance Audits of Government Account--	
31	State Appropriation	\$25,000
32	Economic Development Strategic Reserve Account--	
33	State Appropriation	\$280,000
34	Department of Personnel Services--State	
35	Appropriation	((\$7,827,000))
36		<u>\$8,597,000</u>

1	Data Processing Revolving Account--State	
2	Appropriation	((\$5,208,000))
3		<u>\$4,936,000</u>
4	Higher Education Personnel Services Account--State	
5	Appropriation	\$1,537,000
6	Aquatic Lands Enhancement Account--State Appropriation	\$100,000
7	TOTAL APPROPRIATION	((\$85,259,000))
8		<u>\$82,661,000</u>

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

11 (1) \$1,210,000 of the general fund--state appropriation for fiscal
12 year 2012 and \$1,210,000 of the general fund--state appropriation for
13 fiscal year 2013 are provided solely for implementation of House Bill
14 No. 1178 (regulatory assistance office). If the bill is not enacted by
15 June 30, 2011, the amounts provided in this subsection shall lapse.

16 (2) \$150,000 of the general fund--state appropriation for fiscal
17 year 2012 is provided solely for the office of financial management to
18 contract with an independent consultant to evaluate and recommend the
19 most cost-effective provision of services required to support the
20 department of social and health services special commitment center on
21 McNeil Island. The evaluation shall include island operation services
22 that include, but are not limited to: (a) Marine transport of
23 passengers and goods; (b) wastewater treatment; (c) fire protection and
24 suppression; (d) electrical supply; (e) water supply; and (f) road
25 maintenance.

26 The office of financial management shall solicit the input of
27 Pierce county, the department of corrections, and the department of
28 social and health services in developing the request for proposal,
29 evaluating applications, and directing the evaluation. The consultant
30 shall report to the governor and legislature by November 15, 2011.

31 (3) \$100,000 of the aquatic lands enhancement account--state
32 appropriation is provided solely for the office of financial management
33 to prepare a report to be used to initiate a comprehensive, long-range
34 planning process for the future of McNeil Island during the 2013-2015
35 fiscal biennium.

36 (a) The report on the initiation of the process must document:
37 (i) Ownership issues, including consultation with the federal

1 government about its current legal requirements associated with the
2 island;

3 (ii) Federal and state decision-making processes to change use or
4 ownership;

5 (iii) Tribal treaty interests;

6 (iv) Fish and wildlife species and their habitats;

7 (v) Land use and public safety needs;

8 (vi) Recreational opportunities for the general public;

9 (vii) Historic and archaeological resources; and

10 (viii) Revenue from and necessary to support potential future uses
11 of the island.

12 (b) The report shall develop and recommend a comprehensive, long-
13 range planning process for the future of the island and associated
14 aquatic resources, addressing the items in (a) of this subsection.

15 (c) The office of financial management may use its own staff and
16 other public agency and tribal staff or contract for services, and may
17 create a work group of knowledgeable agencies, organizations, and
18 individuals to assist in preparing the report.

19 (d) The office of financial management shall engage in broad
20 consultation with interested parties, including, but not limited to:

21 (i) Federal agencies with relevant responsibilities;

22 (ii) Tribal governments;

23 (iii) State agencies;

24 (iv) Local governments and communities in the area, including the
25 Anderson Island community, Steilacoom, and Pierce county; and

26 (v) Interested private organizations and individuals.

27 (e) The report must be submitted to the governor and appropriate
28 committees of the legislature by October 1, 2012.

29 (4) The appropriations in this section include funding for
30 activities transferred from the sentencing guidelines commission to the
31 office of financial management pursuant to Engrossed Substitute Senate
32 Bill No. 5891 (criminal justice cost savings). Prior to the effective
33 date of Engrossed Substitute Senate Bill No. 5891, the appropriations
34 in this section may be expended for the continued operations and
35 expenses of the sentencing guidelines commission pursuant to the
36 expenditure authority schedule produced by the office of financial
37 management in accordance with chapter 43.88 RCW.

Sec. 132. 2011 2nd sp.s. c 9 s 121 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--OPERATIONS

Department of Retirement Systems Expense

Account--State Appropriation	(\$47,049,000)
	<u>\$47,112,000</u>

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

(1) \$146,000 of the department of retirement systems--state appropriation is provided solely for the administrative costs associated with implementation of House Bill No. 2070 (state and local government employees). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(2) \$65,000 of the department of retirement systems--state appropriation is provided solely for the administrative costs associated with implementation of House Bill No. 1625 (plan 3 default investment option). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(3) \$133,000 of the department of retirement systems--state appropriation is provided solely for the administrative costs associated with implementation of Engrossed House Bill No. 1981 as amended (post-retirement employment). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(4) \$15,000 of the department of retirement systems expense account--state appropriation is provided solely for the administrative costs associated with implementation of Substitute House Bill No. 2021 (plan 1 annual increase amounts). If the bill is not enacted by June 30, 2011, the amount provided in this section shall lapse.

(5) \$64,000 of the department of retirement systems--state appropriation is provided solely for the administrative costs associated with implementation of House Bill No. 2441 (retirement/excess compensation). If the bill is not enacted by June 30, 2012, the amount provided in this section shall lapse.

Sec. 133. 2011 2nd sp.s. c 9 s 122 (uncodified) is amended to read as follows:

1 **FOR THE DEPARTMENT OF REVENUE**

2	General Fund--State Appropriation (FY 2012)	((\$100,927,000))
3		<u>\$100,924,000</u>
4	General Fund--State Appropriation (FY 2013)	((\$100,801,000))
5		<u>\$100,796,000</u>
6	Timber Tax Distribution Account--State Appropriation	\$5,940,000
7	Waste Reduction/Recycling/Litter Control--State	
8	Appropriation	\$129,000
9	Waste Tire Removal Account--State Appropriation	\$2,000
10	State Toxics Control Account--State Appropriation	\$87,000
11	Oil Spill Prevention Account--State Appropriation	\$19,000
12	Master License Fund--State Appropriation	\$14,012,000
13	Vehicle License Fraud Account--State Appropriation	\$5,000
14	Performance Audits of Government Account--State	
15	Appropriation	\$3,188,000
16	TOTAL APPROPRIATION	((\$225,110,000))
17		<u>\$225,102,000</u>

18 **Sec. 134.** 2011 1st sp.s. c 50 s 137 (uncodified) is amended to
19 read as follows:

20 **FOR THE BOARD OF TAX APPEALS**

21	General Fund--State Appropriation (FY 2012)	((\$1,241,000))
22		<u>\$1,225,000</u>
23	General Fund--State Appropriation (FY 2013)	((\$1,219,000))
24		<u>\$1,158,000</u>
25	TOTAL APPROPRIATION	((\$2,460,000))
26		<u>\$2,383,000</u>

27 **Sec. 135.** 2011 2nd sp.s. c 9 s 123 (uncodified) is amended to read
28 as follows:

29 **FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES**

30	OMWBE Enterprises Account--State Appropriation	((\$3,264,000))
31		<u>\$3,596,000</u>

32 **Sec. 136.** 2011 2nd sp.s. c 9 s 125 (uncodified) is amended to read
33 as follows:

34 **FOR THE INSURANCE COMMISSIONER**

35	General Fund--Federal Appropriation	\$4,452,000
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1	Insurance Commissioners Regulatory Account--State	
2	Appropriation	((\$47,514,000))
3		<u>\$47,958,000</u>
4	TOTAL APPROPRIATION	((\$51,966,000))
5		<u>\$52,410,000</u>

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

8 (1) \$75,000 of the insurance commissioner's regulatory
9 account--state appropriation is provided solely for the implementation
10 of Substitute Senate Bill No. 5445 (health benefit exchange).

11 (2) \$42,000 of the insurance commissioner's regulatory
12 account--state appropriation is provided solely for the implementation
13 of Senate Bill No. 5213 (insurance statutes).

14 (3) \$446,000 of the insurance commissioners regulatory account--
15 state appropriation is provided solely to implement Engrossed Second
16 Substitute House Bill No. 2319 (affordable care act). If the bill is
17 not enacted by June 30, 2012, the amount provided in this subsection
18 shall lapse.

19 **Sec. 137.** 2011 2nd sp.s. c 9 s 128 (uncodified) is amended to read
20 as follows:

21 **FOR THE LIQUOR CONTROL BOARD**

22 Liquor Control Board Construction and Maintenance

23	Account--State Appropriation	((\$10,081,000))
24		<u>\$3,059,000</u>

25	Liquor Revolving Account--State Appropriation	((\$176,238,000))
26		<u>\$173,184,000</u>

27	General Fund--Federal Appropriation	((\$120,000))
28		<u>\$945,000</u>

29 General Fund--Private/Local Appropriation \$25,000

30	TOTAL APPROPRIATION	((\$186,439,000))
31		<u>\$177,213,000</u>

32
33 **Sec. 138.** 2011 2nd sp.s. c 9 s 129 (uncodified) is amended to read
34 as follows:

35 **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

36 General Fund--Federal Appropriation \$502,000

1	General Fund--Private/Local Appropriation	\$11,175,000
2	Public Service Revolving Account--State	
3	Appropriation	((\$30,992,000))
4		<u>\$31,145,000</u>
5	Pipeline Safety Account--State Appropriation	\$3,201,000
6	Pipeline Safety Account--Federal Appropriation	\$2,848,000
7	TOTAL APPROPRIATION	((\$48,718,000))
8		<u>\$48,871,000</u>

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

11 (1) In accordance with RCW 80.36.610(1), the utilities and
12 transportation commission is authorized to establish federal
13 telecommunications act services fees in fiscal year 2012 as necessary
14 to meet the actual costs of conducting business and the appropriation
15 levels in this section.

16 (2) \$15,000 of the pipeline safety account--state appropriation is
17 provided solely for the implementation of Engrossed Second Substitute
18 House Bill No. 1634 (underground utilities).

19 (3) \$182,000 of the public service revolving account--state
20 appropriation is provided solely for the implementation of Engrossed
21 Second Substitute Senate Bill No. 5769 (coal-fired generation).

22 (4) \$169,000 of the public service revolving account--state
23 appropriation is provided solely for the implementation of Second
24 Substitute Senate Bill No. 5034 (private infrastructure).

25 **Sec. 139.** 2011 2nd sp.s. c 9 s 130 (uncodified) is amended to read
26 as follows:

27 **FOR THE MILITARY DEPARTMENT**

28	General Fund--State Appropriation (FY 2012)	((\$7,175,000))
29		<u>\$7,173,000</u>
30	General Fund--State Appropriation (FY 2013)	((\$7,175,000))
31		<u>\$7,171,000</u>
32	General Fund--Federal Appropriation	\$159,181,000
33	Enhanced 911 Account--State Appropriation	((\$46,556,000))
34		<u>\$48,626,000</u>
35	Disaster Response Account--State Appropriation	((\$17,933,000))
36		<u>\$23,129,000</u>
37	Disaster Response Account--Federal Appropriation	((\$66,266,000))

1		<u>\$91,368,000</u>
2	Military Department Rent and Lease Account--State	
3	Appropriation	\$615,000
4	Worker and Community Right-to-Know Account--State	
5	Appropriation	\$2,165,000
6	TOTAL APPROPRIATION	((\$307,066,000))
7		<u>\$339,428,000</u>

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

10 (1) \$18,018,000 of the disaster response account--state
11 appropriation and \$66,266,000 of the disaster response account--federal
12 appropriation may be spent only on disasters declared by the governor
13 and with the approval of the office of financial management. The
14 military department shall submit a report to the office of financial
15 management and the legislative fiscal committees on October 1st and
16 February 1st of each year detailing information on the disaster
17 response account, including: (a) The amount and type of deposits into
18 the account; (b) the current available fund balance as of the reporting
19 date; and (c) the projected fund balance at the end of the 2011-2013
20 biennium based on current revenue and expenditure patterns.

21 (2) \$75,000,000 of the general fund--federal appropriation is
22 provided solely for homeland security, subject to the following
23 conditions:

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

27 (b) The department shall submit an annual report to the office of
28 financial management and the legislative fiscal committees detailing
29 the governor's domestic security advisory group recommendations;
30 homeland security revenues and expenditures, including estimates of
31 total federal funding for the state; and incremental changes from the
32 previous estimate.

33 **Sec. 140.** 2011 2nd sp.s. c 9 s 131 (uncodified) is amended to read
34 as follows:

35 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

36	General Fund--State Appropriation (FY 2012)	((\$2,346,000))
37		<u>\$2,047,000</u>

1	General Fund--State Appropriation (FY 2013)	((2,400,000))
2		<u>\$2,037,000</u>
3	Higher Education Personnel Services Account--State	
4	Appropriation	((251,000))
5		<u>\$445,000</u>
6	Department of Personnel Service Account--State	
7	Appropriation	((3,309,000))
8		<u>\$3,387,000</u>
9	TOTAL APPROPRIATION	((8,306,000))
10		<u>\$7,916,000</u>

11 **Sec. 141.** 2011 2nd sp.s. c 9 s 132 (uncodified) is amended to read
12 as follows:

13 **FOR THE DEPARTMENT OF ENTERPRISE SERVICES**

14	General Fund--State Appropriation (FY 2012)	((3,501,000))
15		<u>\$3,405,000</u>
16	General Fund--State Appropriation (FY 2013)	((3,495,000))
17		<u>\$3,343,000</u>
18	General Fund--Federal Appropriation	\$177,000
19	General Fund--Private/Local Appropriation	\$368,000
20	Building Code Council Account--State Appropriation	\$1,187,000
21	Department of Personnel Service Account--State	
22	Appropriation	((11,119,000))
23		<u>\$10,983,000</u>
24	Enterprise Services Account--State Appropriation	((26,540,000))
25		<u>\$26,585,000</u>
26	TOTAL APPROPRIATION	((46,387,000))
27		<u>\$46,048,000</u>

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

30 (1) The appropriations in this section are for the operations and
31 expenses of the department of enterprise services as established by
32 Engrossed Substitute Senate Bill No. 5931 (central service functions of
33 state government), effective October 1, 2011. Prior to October 1,
34 2011, the appropriations in this section may be expended for the
35 continued operations and expenses of the office of financial
36 management, the department of general administration, the department of

1 information services, and the department of personnel, pursuant to the
2 expenditure authority schedules produced by the office of financial
3 management, in accordance with chapter 43.88 RCW.

4 (2) (~~(\$3,090,000)~~) \$3,028,000 of the general fund--state
5 appropriation for fiscal year 2012 and (~~(\$3,090,000)~~) \$2,967,000 of the
6 general fund--state appropriation for fiscal year 2013 are provided
7 solely for the payment of facilities and services charges, utilities
8 and contracts charges, public and historic facilities charges, and
9 capital projects surcharges allocable to the senate, house of
10 representatives, statute law committee, and joint legislative systems
11 committee. The department shall allocate charges attributable to these
12 agencies among the affected revolving funds. The department shall
13 maintain an interagency agreement with these agencies to establish
14 performance standards, prioritization of preservation and capital
15 improvement projects, and quality assurance provisions for the delivery
16 of services under this subsection. The legislative agencies named in
17 this subsection shall continue to enjoy all of the same rights of
18 occupancy and space use on the capitol campus as historically
19 established.

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

23 (4) The building code council account appropriation is provided
24 solely for the operation of the state building code council as required
25 by statute and modified by the standards established by executive order
26 10-06. The council shall not consider any proposed code amendment or
27 take any other action not authorized by statute or in compliance with
28 the standards established in executive order 10-06. No member of the
29 council may receive compensation, per diem, or reimbursement for
30 activities other than physical attendance at those meetings of the
31 state building code council or the council's designated committees, at
32 which the opportunity for public comment is provided generally and on
33 all agenda items upon which the council proposes to take action.

34 (5) Specific funding is provided for the purposes of section 3 of
35 House Bill No. 1770 (state purchasing).

36 (6) The amounts appropriated in this section are for implementation
37 of Senate Bill No. 5931 (streamlining central service functions).

1 (7) The department of enterprise services shall purchase flags
2 needed for ceremonial occasions on the capitol campus in order to fully
3 represent the countries that have an international consulate in
4 Washington state.

5 **Sec. 142.** 2011 1st sp.s. c 50 s 151 (uncodified) is amended to
6 read as follows:

7 **FOR INNOVATE WASHINGTON**

8	General Fund--State Appropriation (FY 2012)	((\$2,999,000))
9		<u>\$2,819,000</u>
10	General Fund--State Appropriation (FY 2013)	((\$3,011,000))
11		<u>\$1,927,000</u>
12	TOTAL APPROPRIATION	((\$6,010,000))
13		<u>\$4,746,000</u>

(End of part)

PART II
HUMAN SERVICES

Sec. 201. 2011 2nd sp.s. c 9 s 201 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

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

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

(3)(a) The health care authority and the department are authorized to develop an integrated health care program designed to slow the progression of illness and disability and better manage medicaid expenditures for the aged and disabled population. Under this Washington medicaid integration partnership (WMIP), the health care authority and the department may combine and transfer such medicaid

1 funds appropriated under sections 204, 206, 208, and 213 of this act as
2 may be necessary to finance a unified health care plan for the WMIP
3 program enrollment. Until January 1, 2013, the WMIP pilot projects
4 shall not exceed a daily enrollment of 6,000 persons, nor expand beyond
5 one county (~~during the 2011-2013 fiscal biennium~~)). The amount of
6 funding assigned from each program may not exceed the average per
7 capita cost assumed in this act for individuals covered by that
8 program, actuarially adjusted for the health condition of persons
9 enrolled, times the number of clients enrolled. In implementing the
10 WMIP, the health care authority and the department may: ~~((a))~~ (i)
11 Withhold from calculations of "available resources" as set forth in RCW
12 71.24.025 a sum equal to the capitated rate for enrolled individuals;
13 and ~~((b))~~ (ii) employ capitation financing and risk-sharing
14 arrangements in collaboration with health care service contractors
15 licensed by the office of the insurance commissioner and qualified to
16 participate in both the medicaid and medicare programs. The health
17 care authority and the department shall conduct an evaluation of the
18 WMIP, measuring changes in participant health outcomes, changes in
19 patterns of service utilization, participant satisfaction, participant
20 access to services, and the state fiscal impact.

21 (b) Effective January 1, 2013, the project shall be renamed the
22 integrated care project (ICP), and, if the health care authority and
23 the department determine that it will be feasible to meet federal
24 project design requirements, the project may be expanded to better
25 manage medicaid and medicare expenditures for the aged and disabled
26 population, including dually eligible individuals. The project shall
27 not exceed a combined daily enrollment of 25,000 persons and shall not
28 expand beyond four counties during the 2011-2013 fiscal biennium. The
29 health care authority and the department shall pursue the project only
30 to the extent that administrative capacity is available for this
31 purpose.

32 (4) The legislature finds that medicaid payment rates, as
33 calculated by the department pursuant to the appropriations in this
34 act, bear a reasonable relationship to the costs incurred by
35 efficiently and economically operated facilities for providing quality
36 services and will be sufficient to enlist enough providers so that care
37 and services are available to the extent that such care and services
38 are available to the general population in the geographic area. The

1 legislature finds that cost reports, payment data from the federal
2 government, historical utilization, economic data, and clinical input
3 constitute reliable data upon which to determine the payment rates.

4 (5) The department shall to the maximum extent practicable use the
5 same system for delivery of spoken-language interpreter services for
6 social services appointments as the one established for medical
7 appointments in section 213 of this act. When contracting directly
8 with an individual to deliver spoken language interpreter services, the
9 department shall only contract with language access providers who are
10 working at a location in the state and who are state- certified or
11 state-authorized, except that when such a provider is not available,
12 the department may use a language access provider who meets other
13 certifications or standards deemed to meet state standards, including
14 interpreters in other states.

15 (6)(a) The appropriations to the department of social and health
16 services in this act shall be expended for the programs and in the
17 amounts specified in this act. However, after May 1, 2012, unless
18 specifically prohibited by this act, the department may transfer
19 general fund--state appropriations for fiscal year 2012 among programs
20 after approval by the director of financial management. However, the
21 department shall not transfer state moneys that are provided solely for
22 a specified purpose except as expressly provided in (b) of this
23 subsection.

24 (b) To the extent that transfers under (a) of this subsection are
25 insufficient to fund actual expenditures in excess of fiscal year 2012
26 caseload forecasts and utilization assumptions in the long-term care,
27 foster care, adoptions support, medicaid personal care, and child
28 support programs, the department may transfer state moneys that are
29 provided solely for a specified purpose. The department shall not
30 transfer funds, and the director of financial management shall not
31 approve the transfer, unless the transfer is consistent with the
32 objective of conserving, to the maximum extent possible, the
33 expenditure of state funds. The director of financial management shall
34 notify the appropriate fiscal committees of the senate and house of
35 representatives in writing seven days prior to approving any allotment
36 modifications or transfers under this subsection. The written
37 notification shall include a narrative explanation and justification of

1 the changes, along with expenditures and allotments by budget unit and
2 appropriation, both before and after any allotment modifications or
3 transfers.

4 **Sec. 202.** 2011 2nd sp.s. c 9 s 202 (uncodified) is amended to read
5 as follows:

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

8	General Fund--State Appropriation (FY 2012)	((\$295,011,000))
9		<u>\$286,023,000</u>
10	General Fund--State Appropriation (FY 2013)	((\$294,232,000))
11		<u>\$283,251,000</u>
12	General Fund--Federal Appropriation	((\$487,912,000))
13		<u>\$479,307,000</u>
14	General Fund--Private/Local Appropriation	\$1,358,000
15	Home Security Fund--State Appropriation	\$10,741,000
16	Domestic Violence Prevention Account--State	
17	Appropriation	((\$1,154,000))
18		<u>\$1,240,000</u>
19	Education Legacy Trust Account--State Appropriation	\$725,000
20	TOTAL APPROPRIATION	((\$1,091,133,000))
21		<u>\$1,062,645,000</u>

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

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

29 (2) ((~~\$668,000~~)) \$651,000 of the general fund--state appropriation
30 for fiscal year 2012 and ((~~\$668,000~~)) \$601,000 of the general fund--
31 state appropriation for fiscal year 2013 are provided solely to
32 contract for the operation of one pediatric interim care center. The
33 center shall provide residential care for up to thirteen children
34 through two years of age. Seventy-five percent of the children served
35 by the center must be in need of special care as a result of substance
36 abuse by their mothers. The center shall also provide on-site training
37 to biological, adoptive, or foster parents. The center shall provide

1 at least three months of consultation and support to the parents
2 accepting placement of children from the center. The center may
3 recruit new and current foster and adoptive parents for infants served
4 by the center. The department shall not require case management as a
5 condition of the contract. The department shall collaborate with the
6 pediatric interim care center to determine if and how the center could
7 be appropriately incorporated into the performance-based contract model
8 and report its findings to the legislature by December 1, 2012.

9 (3)(a) (~~(\$85,202,000)~~) \$79,977,000 of the general fund--state
10 appropriation for fiscal year 2012, (~~(\$85,408,000)~~) \$78,533,000 of the
11 general fund--state appropriation for fiscal year 2013, and
12 (~~(\$79,279,000)~~) \$74,427,000 of the general fund--federal appropriation
13 are provided solely for services for children and families subject to
14 RCW 74.13.360 (~~(and House Bill No. 2122 (child welfare))~~). Prior to
15 approval of contract services pursuant to RCW 74.13.360 (~~(and House~~
16 ~~Bill No. 2122)~~), the amounts provided in this section shall be allotted
17 on a monthly basis and expenditures shall not exceed allotments based
18 on a three month rolling average without approval of the office of
19 financial management following notification to the legislative fiscal
20 committees.

21 (b) The department shall use performance-based contracts to provide
22 services to safely reduce the number of children in out-of-home care,
23 safely reduce the time spent in out-of-home care prior to achieving
24 permanency, and safely reduce the number of children returning to
25 out-of-home care following permanency. The department shall provide an
26 initial report to the legislature and the governor by January 15, 2012,
27 regarding the start-up costs associated with performance-based
28 contracts under RCW 74.13.360 (~~(and House Bill No. 2122 (child~~
29 ~~welfare))~~).

30 (4) \$176,000 of the general fund--state appropriation for fiscal
31 year 2012, \$177,000 of the general fund--state appropriation for fiscal
32 year 2013, \$656,000 of the general fund--private/local appropriation,
33 \$253,000 of the general fund--federal appropriation, and \$725,000 of
34 the education legacy trust account--state appropriation are provided
35 solely for children's administration to contract with an educational
36 advocacy provider with expertise in foster care educational outreach.
37 The amounts in this subsection are provided solely for contracted
38 education coordinators to assist foster children in succeeding in K-12

1 and higher education systems and to assure a focus on education during
2 the transition to performance based contracts. Funding shall be
3 prioritized to regions with high numbers of foster care youth and/or
4 regions where backlogs of youth that have formerly requested
5 educational outreach services exist. The department shall utilize
6 private matching funds to maintain educational advocacy services.

7 (5) (~~(\$670,000)~~) \$621,000 of the general fund--state appropriation
8 for fiscal year 2012 and (~~(\$670,000)~~) \$469,000 of the general fund--
9 state appropriation for fiscal year 2013 are provided solely for
10 services provided through children's advocacy centers.

11 (6) To ensure expenditures remain within available funds
12 appropriated in this section as required by RCW 74.13A.005 and
13 74.13A.020, the secretary shall not set the amount of any adoption
14 assistance payment or payments, made pursuant to RCW 26.33.320 and
15 74.13A.005 through 74.13A.080, to more than ninety percent of the
16 foster care maintenance payment for that child had he or she remained
17 in a foster family home during the same period. This subsection does
18 not apply to adoption assistance agreements in existence on the
19 effective date of this section.

20 (7) \$10,741,000 of the home security fund--state appropriation is
21 provided solely for the department to contract for services pursuant to
22 RCW 13.32A.030 and 74.15.220. The department shall contract and
23 collaborate with service providers in a manner that maintains the
24 availability and geographic representation of secure and semi-secure
25 crisis residential centers and HOPE centers. To achieve efficiencies
26 and increase utilization, the department shall allow the co-location of
27 these centers, except that a youth may not be placed in a secure
28 facility or the secure portion of a co-located facility except as
29 specifically authorized by chapter 13.32A RCW. The reductions to
30 appropriations in this subsection related to semi-secure crisis
31 residential centers reflect a reduction to the number of beds for semi-
32 secure crisis residential centers and not a reduction in rates. Any
33 secure crisis residential center or semi-secure crisis residential
34 center bed reduction shall not be based solely upon bed utilization.
35 The department is to exercise its discretion in reducing the number of
36 beds but to do so in a manner that maintains availability and
37 geographic representation of semi-secure and secure crisis residential
38 centers.

1 (8) \$47,000 of the general fund--state appropriation for fiscal
2 year 2012, \$14,000 of the general fund--state appropriation for fiscal
3 year 2013, and \$40,000 of the general fund--federal appropriation are
4 provided solely to implement Substitute House Bill No. 1697 (dependency
5 system). If the bill is not enacted by June 30, 2011, the amounts
6 provided in this subsection shall lapse.

7 (9) \$564,000 of the general fund--federal appropriation is provided
8 solely to implement Second Substitute House Bill No. 1128 (extended
9 foster care). If the bill is not enacted by June 30, 2011, the amount
10 provided in this subsection shall lapse.

11 (10) \$799,000 of the general fund--state appropriation for fiscal
12 year 2013 and \$799,000 of the general fund--federal appropriation are
13 provided solely for the implementation of Engrossed Second Substitute
14 House Bill No. 2264 (child welfare/contracting). If the bill is not
15 enacted by June 30, 2012, the amounts provided in this subsection shall
16 lapse.

17 (11) \$178,000 of the general fund--federal appropriation is
18 provided solely for the implementation of Engrossed Second Substitute
19 House Bill No. 2592 (extended foster care). If the bill is not enacted
20 by June 30, 2012, the amount provided in this subsection shall lapse.

21 (12) \$616,000 of the general fund--state appropriation for fiscal
22 year 2013 and \$616,000 of the general fund--federal appropriation are
23 provided solely for the implementation of Second Substitute House Bill
24 No. 2289 (child protective services). If the bill is not enacted by
25 June 30, 2012, the amounts provided in this subsection shall lapse.

26 **Sec. 203.** 2011 2nd sp.s. c 9 s 203 (uncodified) is amended to read
27 as follows:

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

30	General Fund--State Appropriation (FY 2012)	((\$86,684,000))
31		<u>\$84,808,000</u>
32	General Fund--State Appropriation (FY 2013)	((\$86,505,000))
33		<u>\$83,996,000</u>
34	General Fund--Federal Appropriation	((\$3,758,000))
35		<u>\$3,809,000</u>
36	General Fund--Private/Local Appropriation	\$1,903,000
37	Washington Auto Theft Prevention Authority Account--	

1	State Appropriation	\$196,000
2	Juvenile Accountability Incentive Account--Federal	
3	Appropriation	\$2,801,000
4	TOTAL APPROPRIATION	((\$181,847,000))
5		<u>\$177,513,000</u>

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

8 (1) ((~~\$331,000~~)) \$315,000 of the general fund--state appropriation
9 for fiscal year 2012 and ((~~\$331,000~~)) \$298,000 of the general fund--
10 state appropriation for fiscal year 2013 are provided solely for
11 deposit in the county criminal justice assistance account for costs to
12 the criminal justice system associated with the implementation of
13 chapter 338, Laws of 1997 (juvenile code revisions). The amounts
14 provided in this subsection are intended to provide funding for county
15 adult court costs associated with the implementation of chapter 338,
16 Laws of 1997 and shall be distributed in accordance with RCW 82.14.310.

17 (2) ((~~\$2,716,000~~)) \$2,580,000 of the general fund--state
18 appropriation for fiscal year 2012 and ((~~\$2,716,000~~)) \$2,445,000 of the
19 general fund--state appropriation for fiscal year 2013 are provided
20 solely for the implementation of chapter 338, Laws of 1997 (juvenile
21 code revisions). The amounts provided in this subsection are intended
22 to provide funding for county impacts associated with the
23 implementation of chapter 338, Laws of 1997 and shall be distributed to
24 counties as prescribed in the current consolidated juvenile services
25 (CJS) formula.

26 (3) ((~~\$3,482,000~~)) \$3,308,000 of the general fund--state
27 appropriation for fiscal year 2012 and ((~~\$3,482,000~~)) \$3,134,000 of the
28 general fund--state appropriation for fiscal year 2013 are provided
29 solely to implement community juvenile accountability grants pursuant
30 to chapter 338, Laws of 1997 (juvenile code revisions). Funds provided
31 in this subsection may be used solely for community juvenile
32 accountability grants, administration of the grants, and evaluations of
33 programs funded by the grants.

34 (4) ((~~\$1,130,000~~)) \$1,074,000 of the general fund--state
35 appropriation for fiscal year 2012 and ((~~\$1,130,000~~)) \$1,017,000 of the
36 general fund--state appropriation for fiscal year 2013 are provided
37 solely to implement alcohol and substance abuse treatment programs for
38 locally committed offenders. The juvenile rehabilitation

1 administration shall award these moneys on a competitive basis to
2 counties that submitted a plan for the provision of services approved
3 by the division of alcohol and substance abuse. The juvenile
4 rehabilitation administration shall develop criteria for evaluation of
5 plans submitted and a timeline for awarding funding and shall assist
6 counties in creating and submitting plans for evaluation.

7 (5) (~~(\$3,123,000)~~) \$2,942,000 of the general fund--state
8 appropriation for fiscal year 2012 and (~~(\$3,123,000)~~) \$2,773,000 of the
9 general fund--state appropriation for fiscal year 2013 are provided
10 solely for grants to county juvenile courts for the following programs
11 identified by the Washington state institute for public policy
12 (institute) in its October 2006 report: "Evidence-Based Public Policy
13 Options to Reduce Future Prison Construction, Criminal Justice Costs
14 and Crime Rates": Functional family therapy, multi-systemic therapy,
15 aggression replacement training and interagency coordination programs,
16 or other programs with a positive benefit-cost finding in the
17 institute's report. County juvenile courts shall apply to the juvenile
18 rehabilitation administration for funding for program-specific
19 participation and the administration shall provide grants to the courts
20 consistent with the per-participant treatment costs identified by the
21 institute.

22 (6) (~~(\$1,537,000)~~) \$1,370,000 of the general fund--state
23 appropriation for fiscal year 2012 and (~~(\$1,537,000)~~) \$1,307,000 of the
24 general fund--state appropriation for fiscal year 2013 are provided
25 solely for expansion of the following treatments and therapies in
26 juvenile rehabilitation administration programs identified by the
27 Washington state institute for public policy in its October 2006
28 report: "Evidence-Based Public Policy Options to Reduce Future Prison
29 Construction, Criminal Justice Costs and Crime Rates":
30 Multidimensional treatment foster care, family integrated transitions,
31 and aggression replacement training, or other programs with a positive
32 benefit-cost finding in the institute's report. The administration may
33 concentrate delivery of these treatments and therapies at a limited
34 number of programs to deliver the treatments in a cost-effective
35 manner.

36 (7)(a) The juvenile rehabilitation administration shall administer
37 a block grant, rather than categorical funding, of consolidated
38 juvenile service funds, community juvenile accountability act grants,

1 the chemical dependency disposition alternative funds, the mental
2 health disposition alternative, and the sentencing disposition
3 alternative for the purpose of serving youth adjudicated in the
4 juvenile justice system. In making the block grant, the juvenile
5 rehabilitation administration shall follow the following formula and
6 will prioritize evidence-based programs and disposition alternatives
7 and take into account juvenile courts program-eligible youth in
8 conjunction with the number of youth served in each approved evidence-
9 based program or disposition alternative: (i) Thirty-seven and one-
10 half percent for the at-risk population of youth ten to seventeen years
11 old; (ii) fifteen percent for moderate and high-risk youth; (iii)
12 twenty-five percent for evidence-based program participation; (iv)
13 seventeen and one-half percent for minority populations; (v) three
14 percent for the chemical dependency disposition alternative; and (vi)
15 two percent for the mental health and sentencing dispositional
16 alternatives. Funding for the special sex offender disposition
17 alternative (SSODA) shall not be included in the block grant, but
18 allocated on the average daily population in juvenile courts. Funding
19 for the evidence-based expansion grants shall be excluded from the
20 block grant formula. Funds may be used for promising practices when
21 approved by the juvenile rehabilitation administration and juvenile
22 courts, through the community juvenile accountability act committee,
23 based on the criteria established in consultation with Washington state
24 institute for public policy and the juvenile courts.

25 (b) The juvenile rehabilitation administration shall phase the
26 implementation of the formula provided in subsection (1) of this
27 section by including a stop-loss formula of five percent in fiscal year
28 2012 and five percent in fiscal year 2013.

29 (c) The juvenile rehabilitation administration and the juvenile
30 courts shall establish a block grant funding formula oversight
31 committee with equal representation from the juvenile rehabilitation
32 administration and the juvenile courts. The purpose of this committee
33 is to assess the ongoing implementation of the block grant funding
34 formula, utilizing data-driven decision making and the most current
35 available information. The committee will be cochaired by the juvenile
36 rehabilitation administration and the juvenile courts, who will also
37 have the ability to change members of the committee as needed to
38 achieve its purpose. Initial members will include one juvenile court

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

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

34 (8) The juvenile courts and administrative office of the courts
35 shall collect and distribute information related to program outcome and
36 provide access to these data systems to the juvenile rehabilitation
37 administration and Washington state institute for public policy.
38 Consistent with chapter 13.50 RCW, all confidentiality agreements

1 necessary to implement this information-sharing shall be approved
 2 within 30 days of the effective date of this section. The agreements
 3 between administrative office of the courts, the juvenile courts, and
 4 the juvenile rehabilitation administration shall be executed to ensure
 5 that the juvenile rehabilitation administration receives the data that
 6 the juvenile rehabilitation administration identifies as needed to
 7 comply with this subsection. This includes, but is not limited to,
 8 information by program at the statewide aggregate level, individual
 9 court level, and individual client level for the purpose of the
 10 juvenile rehabilitation administration providing quality assurance and
 11 oversight for the locally committed youth block grant and associated
 12 funds and at times as specified by the juvenile rehabilitation
 13 administration as necessary to carry out these functions. The data
 14 shall be provided in a manner that reflects the collaborative work the
 15 juvenile rehabilitation administration and juvenile courts have
 16 developed regarding program outcomes that reinforce the greatest cost
 17 benefit to the state in the implementation of evidence-based practices
 18 and disposition alternatives.

19 **Sec. 204.** 2011 2nd sp.s. c 9 s 204 (uncodified) is amended to read
 20 as follows:

21 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH**
 22 **PROGRAM**

23 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

24 General Fund--State Appropriation (FY 2012)	((\$317,392,000))
	<u>\$314,866,000</u>
26 General Fund--State Appropriation (FY 2013)	((\$322,982,000))
	<u>\$306,905,000</u>
28 General Fund--Federal Appropriation	((\$448,732,000))
	<u>\$443,140,000</u>
30 General Fund--Private/Local Appropriation	\$17,864,000
31 Hospital Safety Net Assessment Fund--State	
32 Appropriation	((\$6,802,000))
	<u>\$5,251,000</u>
34 TOTAL APPROPRIATION	((\$1,113,772,000))
	<u>\$1,088,026,000</u>

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

1 (a) (~~(\$109,342,000)~~) \$107,971,000 of the general fund--state
2 appropriation for fiscal year 2012 and (~~(\$109,341,000)~~) \$101,116,000 of
3 the general fund--state appropriation for fiscal year 2013 are provided
4 solely for persons and services not covered by the medicaid program.
5 This is a reduction of (~~(\$4,348,000 each fiscal year from)~~) the
6 nonmedicaid funding that was allocated for expenditure by regional
7 support networks during fiscal year 2011 prior to supplemental budget
8 reductions. This (~~(\$4,348,000)~~) reduction shall be distributed among
9 regional support networks proportional to each network's share of the
10 total state population. To the extent possible, levels of regional
11 support network spending shall be maintained in the following priority
12 order: (i) Crisis and commitment services; (ii) community inpatient
13 services; and (iii) residential care services, including personal care
14 and emergency housing assistance.

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

33 (c) \$5,850,000 of the general fund--state appropriation for fiscal
34 year 2012, \$5,850,000 of the general fund--state appropriation for
35 fiscal year 2013, and \$1,300,000 of the general fund--federal
36 appropriation are provided solely for the western Washington regional
37 support networks to provide either community- or hospital campus-based

1 services for persons who require the level of care previously provided
2 by the program for adaptive living skills (PALS) at western state
3 hospital.

4 (d) The number of nonforensic beds allocated for use by regional
5 support networks at eastern state hospital shall be 192 per day. The
6 number of nonforensic beds allocated for use by regional support
7 networks at western state hospital shall be 557 per day through June
8 2012, 527 per day from July 2012 through September 2012, and 497 per
9 day from October 2012 through the remainder of fiscal year 2013.

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

16 (f) (~~(\$4,582,000)~~) \$4,200,000 of the general fund--state
17 appropriation for fiscal year 2012 and (~~(\$4,582,000)~~) \$2,291,000 of the
18 general fund--state appropriation for fiscal year 2013 are provided
19 solely for mental health services for mentally ill offenders while
20 confined in a county or city jail and for facilitating access to
21 programs that offer mental health services upon release from
22 confinement. Beginning in fiscal year 2013, the department shall
23 report regional outcome data on individuals in jail who are referred
24 for regional support network services. By December 1, 2012, the
25 department shall provide a report to the relevant fiscal and policy
26 committees of the legislature on the number of individuals referred to
27 the program who had an evaluation for regional support network services
28 either during incarceration or within 30 and 60 days of release from
29 jail; and the number who were made newly eligible or reinstated to
30 eligibility for medical assistance services either during incarceration
31 or within 30 and 60 days of release from jail. In addition, the report
32 shall identify how many of the individuals who were determined to be
33 eligible for regional support network services received additional
34 outpatient services within 30 and 60 days of release from
35 incarceration.

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

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

10 (i) (~~(\$1,125,000)~~) \$937,000 of the general fund--state
11 appropriation for fiscal year 2012 (~~(and \$1,125,000 of the general~~
12 ~~fund--state appropriation for fiscal year 2013 are))~~) is provided solely
13 for the Spokane regional support network to implement services to
14 reduce utilization and the census at eastern state hospital. Such
15 services shall include:

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

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

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

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

26 (~~(At least annually, the Spokane regional support network shall~~
27 ~~assess the effectiveness of these services in reducing utilization at~~
28 ~~eastern state hospital, identify services that are not optimally~~
29 ~~effective, and modify those services to improve their effectiveness.))~~)

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

35 (k) Regional support networks may use local funds to earn
36 additional federal medicaid match, provided the locally matched rate
37 does not exceed the upper-bound of their federally allowable rate
38 range, and provided that the enhanced funding is used only to provide

1 medicaid state plan or waiver services to medicaid clients.
2 Additionally, regional support networks may use a portion of the state
3 funds allocated in accordance with (a) of this subsection to earn
4 additional medicaid match, but only to the extent that the application
5 of such funds to medicaid services does not diminish the level of
6 crisis and commitment, community inpatient, residential care, and
7 outpatient services presently available to persons not eligible for
8 medicaid.

9 (1) Given the recent approval of federal medicaid matching funds
10 for the disability lifeline and the alcohol and drug abuse treatment
11 support act programs, the department shall charge regional support
12 networks for only the state share rather than the total cost of
13 community psychiatric hospitalization for persons enrolled in those
14 programs.

15 (m) \$750,000 of the general fund--state appropriation for fiscal
16 year 2012, \$750,000 of the general fund--state appropriation for fiscal
17 year 2013, and \$1,500,000 of the general fund--federal appropriation
18 are provided solely to adjust regional support network capitation rates
19 to account for the per diem rates actually paid for psychiatric care
20 provided at hospitals participating in the certified public expenditure
21 program operated pursuant to section 213 of this act.

22 (2) INSTITUTIONAL SERVICES

23	General Fund--State Appropriation (FY 2012)	((\$115,317,000))
24		<u>\$115,139,000</u>
25	General Fund--State Appropriation (FY 2013)	((\$114,111,000))
26		<u>\$108,932,000</u>
27	General Fund--Federal Appropriation	((\$153,324,000))
28		<u>\$153,825,000</u>
29	General Fund--Private/Local Appropriation	\$67,325,000
30	TOTAL APPROPRIATION	((\$450,077,000))
31		<u>\$445,221,000</u>

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

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

37 (b) \$231,000 of the general fund--state appropriation for fiscal
38 year 2012 and \$231,000 of the general fund--state appropriation for

1 fiscal year 2013 are provided solely for a community partnership
2 between western state hospital and the city of Lakewood to support
3 community policing efforts in the Lakewood community surrounding
4 western state hospital. The amounts provided in this subsection (2)(b)
5 are for the salaries, benefits, supplies, and equipment for one full-
6 time investigator, one full-time police officer, and one full-time
7 community service officer at the city of Lakewood.

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

13 (d) \$20,000,000 of the general fund--state appropriation for fiscal
14 year 2012 and \$20,000,000 of the general fund--state appropriation for
15 fiscal year 2013 are provided solely to maintain staffed capacity to
16 serve an average daily census in forensic wards at western state
17 hospital of 270 patients per day.

18 (3) SPECIAL PROJECTS

19	General Fund--State Appropriation (FY 2012)	\$1,168,000
20	General Fund--State Appropriation (FY 2013)	(\$1,164,000)
21		<u>\$1,726,000</u>
22	General Fund--Federal Appropriation	\$4,109,000
23	General Fund--Private/Local Appropriation	\$700,000
24	TOTAL APPROPRIATION	(\$7,141,000)
25		<u>\$7,703,000</u>

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

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

33 (b) \$700,000 of the general fund--private/local appropriation is
34 provided solely for the University of Washington's evidence based
35 practice institute which supports the identification, evaluation, and
36 implementation of evidence-based or promising practices for serving
37 children and youth with mental health disorders. The department shall
38 enter into an interagency agreement with the office of the attorney

1 general for expenditure of \$700,000 of the state's proceeds of the cy
2 pres settlement in *State of Washington v. AstraZeneca* (Seroquel) for
3 this purpose.

4 (c) \$55,000 of the general fund--state appropriation for fiscal
5 year 2013 is provided solely for the department to contract with the
6 evidence-based practice institute to consult with the department and
7 the Washington state institute for public policy in efforts to identify
8 and expand the use of evidence-based practices for mental health
9 prevention and treatment services to children in accordance with
10 Engrossed Second Substitute House Bill No. 2536 (children
11 services/delivery). Funding provided in this subsection may not be
12 used to pay for costs of the director of the institute and shall lapse
13 if Engrossed Second Substitute House Bill No. 2536 (children
14 services/delivery) is not enacted by June 30, 2012.

15 (d) \$509,000 of the general fund--state appropriation for fiscal
16 year 2013 is provided solely for training costs associated with
17 implementation of Engrossed Second Substitute House Bill No. 2536
18 (children services/delivery). The amounts provided in this subsection
19 must be used for coordinated evidence-based practice training to
20 programs providing mental health, child welfare, and juvenile justice
21 services to children. If Engrossed Second Substitute House Bill No.
22 2536 (children services/delivery) is not enacted by June 30, 2012, the
23 amount provided in this subsection shall lapse.

24 (4) PROGRAM SUPPORT

25	General Fund--State Appropriation (FY 2012)	(\$4,476,000)
26		<u>\$4,442,000</u>
27	General Fund--State Appropriation (FY 2013)	(\$4,261,000)
28		<u>\$4,122,000</u>
29	General Fund--Federal Appropriation	(\$7,227,000)
30		<u>\$7,113,000</u>
31	General Fund--Private/Local Appropriation	\$446,000
32	TOTAL APPROPRIATION	(\$16,410,000)
33		<u>\$16,123,000</u>

34 (a) The appropriations in this subsection are subject to the
35 following conditions and limitations: In accordance with RCW
36 43.20B.110, 43.135.055, and 71.24.035, the department is authorized to
37 increase license and certification fees in fiscal years 2012 and 2013
38 to support the costs of the regulatory program. The fee schedule

1 increases must be developed so that the maximum amount of additional
2 fees paid by providers statewide in the 2011-2013 fiscal biennium is
3 \$446,000. The department's fee schedule shall have differential rates
4 for providers with proof of accreditation from organizations that the
5 department has determined to have substantially equivalent standards to
6 those of the department, including but not limited to the joint
7 commission on accreditation of health care organizations, the
8 commission on accreditation of rehabilitation facilities, and the
9 council on accreditation. To reflect the reduced costs associated with
10 regulation of accredited programs, the department's fees for
11 organizations with such proof of accreditation must reflect the lower
12 costs of licensing for these programs than for other organizations
13 which are not accredited.

14 (b) \$19,000 of the general fund--state appropriation for fiscal
15 year 2012, \$17,000 of the general fund--state appropriation for fiscal
16 year 2013, and \$34,000 of the general fund--federal appropriation are
17 provided solely to support a partnership among the department of social
18 and health services, the department of health, and agencies that
19 deliver medical care and behavioral health services in Cowlitz county.
20 The partnership shall identify and recommend strategies for resolving
21 regulatory, licensing, data management, reporting, and funding barriers
22 to more effective integration of primary medical and behavioral health
23 care services in the county.

24 (c) \$105,000 of the general fund--state appropriation for fiscal
25 year 2013 and \$68,000 of the general fund--federal appropriation are
26 provided solely for staffing costs associated with implementation of
27 Engrossed Second Substitute House Bill No. 2536 (children
28 services/delivery). The amounts provided in this subsection must be
29 used for coordinated evidence-based practice implementation amongst the
30 department's programs providing mental health, child welfare, and
31 juvenile justice services to children. If Engrossed Second Substitute
32 House Bill No. 2536 (children services/delivery) is not enacted by June
33 30, 2012, the amounts provided in this subsection shall lapse.

34 **Sec. 205.** 2011 2nd sp.s. c 9 s 205 (uncodified) is amended to read
35 as follows:

36 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--DEVELOPMENTAL**

1 **DISABILITIES PROGRAM**

2 (1) COMMUNITY SERVICES

3	General Fund--State Appropriation (FY 2012)	((\$418,815,000))
4		<u>\$402,852,000</u>
5	General Fund--State Appropriation (FY 2013)	((\$422,854,000))
6		<u>\$409,695,000</u>
7	General Fund--Federal Appropriation	((\$743,532,000))
8		<u>\$758,735,000</u>
9	General Fund--Private/Local Appropriation	((\$184,000))
10		<u>\$315,000,000</u>

11 Developmental Disabilities Community Trust

12	<u>Account--State Appropriation</u>	<u>\$14,750,000</u>
13	TOTAL APPROPRIATION	((\$1,585,385,000))
14		<u>\$1,586,347,000</u>

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

17 (a) Individuals receiving services as supplemental security income
18 (SSI) state supplemental payments shall not become eligible for medical
19 assistance under RCW 74.09.510 due solely to the receipt of SSI state
20 supplemental payments.

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

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

37 (d) \$944,000 of the general fund--state appropriation for fiscal
38 year 2012, \$944,000 of the general fund--state appropriation for fiscal

1 year 2013, and \$1,888,000 of the general fund--federal appropriation
2 are provided solely for state contributions for individual provider
3 health care benefits. Pursuant to the collective bargaining agreement
4 negotiated with the exclusive bargaining representative of individual
5 providers established under RCW 74.39A.270, the state shall contribute
6 to the multiemployer health benefits trust fund (~~(\$1.96)~~) \$2.21 per
7 paid hour worked by individual providers.

8 ~~(e) (~~(\$1,871,000 of the general fund--state appropriation for~~~~
9 ~~fiscal year 2012, \$1,995,000 of the general fund--state appropriation~~
10 ~~for fiscal year 2013, and \$3,865,000 of the general fund--federal~~
11 ~~appropriation are provided solely for home care agencies to purchase~~
12 ~~health coverage for home care providers. The department shall~~
13 ~~calculate and distribute payments for health care benefits to home care~~
14 ~~agencies at \$558 per month for each worker who cares for publicly~~
15 ~~funded clients at 86 hours or more per month. In order to negotiate~~
16 ~~the most comprehensive health benefits package for its employees, each~~
17 ~~agency may determine benefit levels according to the hours an employee~~
18 ~~works providing state-funded personal care. Health benefits shall be~~
19 ~~offered to all employees who care for publicly funded clients for 86~~
20 ~~hours per month or more. At a minimum, employees who care for publicly~~
21 ~~funded clients at 140 hours a month or greater must receive a~~
22 ~~comprehensive medical benefit. Benefits shall not be provided to~~
23 ~~employees who care for publicly funded clients at 85 hours or less per~~
24 ~~month or as interim respite workers. The department shall not pay an~~
25 ~~agency for benefits provided to an employee who otherwise receives~~
26 ~~health care coverage through other family members, other~~
27 ~~employment-based coverage, or military or veteran's coverage. The~~
28 ~~department shall require annually, each home care agency to review each~~
29 ~~of its employee's available health coverage and to provide a written~~
30 ~~declaration to the department verifying that health benefits purchased~~
31 ~~with public funds are solely for employees that do not have other~~
32 ~~available coverage. Home care agencies may determine a reasonable~~
33 ~~employee co-premium not to exceed 20 percent of the total benefit cost.~~

34 ~~(f))~~ \$1,127,000 of the general fund--state appropriation for
35 fiscal year 2012, \$1,199,000 of the general fund--state appropriation
36 for fiscal year 2013, and \$2,322,000 of the general fund--federal
37 appropriation are provided solely for the state's contribution to the
38 training partnership, as provided in RCW 74.39A.360, for instructional

1 costs associated with the training of individual providers. House Bill
2 No. 1548 and Senate Bill No. 5473 (long-term care worker requirements)
3 make statutory changes to the increased training requirements and
4 therefore the state shall contribute to the partnership \$0.17 per paid
5 hour worked by all home care workers. This amount is pursuant to the
6 collective bargaining agreement negotiated with the exclusive
7 bargaining representative of individual providers established under RCW
8 74.39A.270. Expenditures for the purposes specified in this subsection
9 shall not exceed the amounts provided in this subsection.

10 ~~((g))~~ (f)(i) Within the amounts appropriated in this subsection,
11 the department shall revise the current working age adult policy to
12 allow clients to choose between employment and community access
13 activities. Clients age 21 and older who are receiving services
14 through a home- and community-based medicaid waiver shall be offered
15 the choice to transition to a community access program after nine
16 months of enrollment in an employment program, and the option to
17 transition from a community access program to an employment program at
18 any time. The department shall inform clients and their legal
19 representatives of all available options for employment and day
20 services. Information provided to the client and the client's legal
21 representative shall include the types of activities each service
22 option provides, and the amount, scope, and duration of service for
23 which the client would be eligible under each service option. An
24 individual client may be authorized for only one service option, either
25 employment services or community access services. Clients may not
26 participate in more than one of these services at any given time.

27 (ii) The department shall work with counties and stakeholders to
28 strengthen and expand the existing community access program. The
29 program must emphasize support for the client so they are able to
30 participate in activities that integrate them into their community and
31 support independent living and skills.

32 (iii) The appropriation in this subsection includes funding to
33 provide employment or community access services to 168 medicaid
34 eligible young adults with developmental disabilities living with their
35 families who need employment opportunities and assistance after high
36 school graduation.

37 ~~((h))~~ (g) \$75,000 of the general fund--state appropriation for
38 fiscal year 2012 and \$75,000 of the general fund--state appropriation

1 for fiscal year 2013 are provided solely for the restoration of direct
2 support to local organizations that utilize parent-to-parent networks
3 and communication to promote access and quality of care for individuals
4 with developmental disabilities and their families.

5 ~~((+i))~~ (h) In accordance with Engrossed Substitute House Bill No.
6 1277 (licensed settings for vulnerable adults), adult family home
7 license fees are increased in fiscal years 2012 and 2013 to support the
8 costs of conducting licensure, inspection, and regulatory programs.

9 (i) The current annual renewal license fee for adult family homes
10 shall be increased to \$100 per bed beginning in fiscal year 2012 and
11 ~~((+j))~~ \$370 per bed beginning in fiscal year 2013. Adult family
12 homes shall receive a corresponding vendor rate increase per medicaid
13 patient day of \$0.22 in fiscal year 2012 and ~~((+k))~~ \$0.96 in fiscal
14 year 2013 to cover the cost of the license fee increase for publicly
15 funded beds.

16 (ii) Beginning in fiscal year 2012, a processing fee of \$2,750
17 shall be charged to each adult family home when the home is initially
18 licensed. This fee is nonrefundable.

19 ~~((+l))~~ (i) Clients with developmental disabilities have
20 demonstrated a need and a desire for a day services program as verified
21 by over 900 clients currently accessing day programs through a long-
22 term care service model. In addition, every individual, to include
23 those with a developmental disability, should have the opportunity for
24 meaningful employment which allows them to contribute to their
25 communities and to become as self-sufficient as possible. Providing
26 choice empowers recipients of publicly funded services and their
27 families by expanding their degree of control over the services and
28 supports they need.

29 The department shall work with legislators and stakeholders to
30 develop a new approach to employment and day services. The objective
31 of this plan is to ensure that adults with developmental disabilities
32 have optimum choices, and that employment and day offerings are
33 comprehensive enough to meet the needs of all clients currently served
34 on a home and community based waiver. The proposal shall be submitted
35 to the 2012 legislature for consideration and shall be constructed such
36 that a client ultimately receives employment, community access, or the
37 community day option but not more than one service at a time. The
38 proposal shall include options for program efficiencies within the

1 current employment and day structure and shall provide details on the
2 plan to implement a consistent, statewide outcome-based vendor contract
3 for employment and day services as specified in (c) of this subsection.

4 (2) INSTITUTIONAL SERVICES

5	General Fund--State Appropriation (FY 2012)	(((\$80,815,000))
6		\$77,989,000
7	General Fund--State Appropriation (FY 2013)	(((\$79,939,000))
8		\$80,421,000
9	General Fund--Federal Appropriation	(((\$154,388,000))
10		\$154,403,000
11	General Fund--Private/Local Appropriation	\$22,043,000
12	TOTAL APPROPRIATION	(((\$337,185,000))
13		\$334,856,000

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

16 (a) Individuals receiving services as supplemental security income
17 (SSI) state supplemental payments shall not become eligible for medical
18 assistance under RCW 74.09.510 due solely to the receipt of SSI state
19 supplemental payments.

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

27 (c) \$250,000 of the general fund--state appropriation for fiscal
28 year 2013 is provided solely for allocation under contract to a school
29 district in which a residential habilitation center (RHC) is located.
30 The department must provide the school district with an allocation of
31 \$25,000 for each person under the age of 21 who between July 1, 2011,
32 and June 30, 2013, is newly admitted to the RHC and newly enrolled in
33 the district in which the RHC is located. The purpose of the
34 allocation is to provide supplemental funding for robust supports and
35 extraordinary costs for students who are newly admitted to the RHC and
36 may be experiencing distress while transitioning to a new school
37 environment.

1	(3) PROGRAM SUPPORT	
2	General Fund--State Appropriation (FY 2012)	((\$1,380,000))
3		<u>\$1,382,000</u>
4	General Fund--State Appropriation (FY 2013)	((\$1,371,000))
5		<u>\$1,374,000</u>
6	General Fund--Federal Appropriation	\$1,323,000
7	TOTAL APPROPRIATION	((\$4,074,000))
8		<u>\$4,079,000</u>

9	(4) SPECIAL PROJECTS	
10	General Fund--State Appropriation (FY 2012)	((\$4,648,000))
11		<u>\$4,658,000</u>
12	General Fund--State Appropriation (FY 2013)	((\$4,637,000))
13		<u>\$4,657,000</u>
14	General Fund--Federal Appropriation	((\$9,575,000))
15		<u>\$9,588,000</u>
16	General Fund--Private/Local Appropriation	\$998,000
17	TOTAL APPROPRIATION	((\$19,858,000))
18		<u>\$19,901,000</u>

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

21 Amounts appropriated in this subsection are for the purposes of
22 transitioning clients with developmental disabilities into community
23 settings. The department is authorized as needed to use these funds to
24 either pay for clients residing within a residential habilitation
25 center or for placements in the community. Pursuant to Second
26 Substitute Senate Bill No. 5459 (services for people with developmental
27 disabilities), funding in this subsection must be prioritized for the
28 purpose of facilitating the consolidation and closure of Frances Haddon
29 Morgan Center. The department shall use a person-centered approach in
30 developing the discharge plan to assess each resident's needs and
31 identify services the resident requires to successfully transition to
32 the community or another residential habilitation center. The
33 department is authorized to use any savings from this effort for the
34 purpose of developing community resources to address the needs of
35 clients with developmental disabilities who are in crisis or in need of
36 respite. The department shall track the costs and savings of closing
37 Frances Haddon Morgan Center and any investments into community

1 placements and resources. The department shall provide a fiscal
2 progress report to the legislature by December 5, 2011.

3 **Sec. 206.** 2011 2nd sp.s. c 9 s 206 (uncodified) is amended to read
4 as follows:

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

7	General Fund--State Appropriation (FY 2012)	((\$781,995,000))
8		<u>\$791,034,000</u>
9	General Fund--State Appropriation (FY 2013)	((\$804,465,000))
10		<u>\$794,119,000</u>
11	General Fund--Federal Appropriation	((\$1,680,450,000))
12		<u>\$1,706,421,000</u>
13	General Fund--Private/Local Appropriation	((\$27,517,000))
14		<u>\$30,802,000</u>
15	Traumatic Brain Injury Account--State Appropriation	\$3,388,000
16	Nursing Facility Quality Assurance Account--State	
17	Appropriation	((\$88,071,000))
18		<u>\$109,246,000</u>
19	TOTAL APPROPRIATION	((\$3,385,886,000))
20		<u>\$3,435,010,000</u>

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

23 (1) For purposes of implementing chapter 74.46 RCW, the weighted
24 average nursing facility payment rate shall not exceed \$170.37 for
25 fiscal year 2012 and shall not exceed \$171.43 for fiscal year 2013,
26 including the rate add-ons described in (a) and (b) of this subsection.
27 However, if the waiver requested from the federal centers for medicare
28 and medicaid services in relation to the safety net assessment created
29 by Engrossed Substitute Senate Bill No. 5581 (nursing home payments) is
30 for any reason not approved and implemented, the weighted average
31 nursing facility payment rate shall not exceed \$159.87 for fiscal year
32 2012 and shall not exceed \$160.93 for fiscal year 2013. There will be
33 no adjustments for economic trends and conditions in fiscal years 2012
34 and 2013. The economic trends and conditions factor or factors defined
35 in the biennial appropriations act shall not be compounded with the
36 economic trends and conditions factor or factors defined in any other
37 biennial appropriations acts before applying it to the component rate

1 allocations established in accordance with chapter 74.46 RCW. When no
2 economic trends and conditions factor for either fiscal year is defined
3 in a biennial appropriations act, no economic trends and conditions
4 factor or factors defined in any earlier biennial appropriations act
5 shall be applied solely or compounded to the component rate allocations
6 established in accordance with chapter 74.46 RCW.

7 ~~(a) ((Within the funds provided, the department shall continue to
8 provide an add-on per medicaid resident day per facility not to exceed
9 \$1.57. The add-on shall be used to increase wages, benefits, and/or
10 staffing levels for certified nurse aides; or to increase wages and/or
11 benefits for dietary aides, housekeepers, laundry aides, or any other
12 category of worker whose statewide average dollars per hour wage was
13 less than \$15 in calendar year 2008, according to cost report data.
14 The add-on may also be used to address resulting wage compression for
15 related job classes immediately affected by wage increases to low wage
16 workers. The department shall continue reporting requirements and a
17 settlement process to ensure that the funds are spent according to this
18 subsection.~~

19 ~~(b))~~ The department shall do a comparative analysis of the
20 facility-based payment rates calculated on July 1, 2011, using the
21 payment methodology defined in Engrossed Substitute Senate Bill No.
22 5581 (nursing home payments), to the facility-based payment rates in
23 effect June 30, 2010. If the facility-based payment rate calculated on
24 July 1, 2011, is smaller than the facility-based payment rate on June
25 30, 2010, then the difference shall be provided to the individual
26 nursing facilities as an add-on payment per medicaid resident day.

27 ~~((e))~~ (b) During the comparative analysis performed in subsection
28 (b) of this section, if it is found that the direct care rate for any
29 facility calculated using the payment methodology defined in Engrossed
30 Substitute Senate Bill No. 5581 (nursing home payments) is greater than
31 the direct care rate in effect on June 30, 2010, then the facility
32 shall receive a ten percent direct care rate add-on to compensate that
33 facility for taking on more acute clients than they have in the past.

34 ~~((d))~~ (c) The department shall provide a medicaid rate add-on to
35 reimburse the medicaid share of the skilled nursing facility safety net
36 assessment as a medicaid allowable cost. The nursing facility safety
37 net rate add-on may not be included in the calculation of the annual
38 statewide weighted average nursing facility payment rate.

1 ~~((e))~~ (d) If the waiver requested from the federal centers for
2 medicare and medicaid services in relation to the safety net assessment
3 created by Engrossed Substitute Senate Bill No. 5581 (nursing home
4 payments) is for any reason not approved and implemented, ~~((subsections~~
5 ~~(b), (c), and (d))~~) (a), (b), and (c) of this subsection do not apply.

6 (2) After examining actual nursing facility cost information, the
7 legislature finds that the medicaid nursing facility rates calculated
8 pursuant to Engrossed Substitute Senate Bill No. 5581 (nursing home
9 payments) provide sufficient reimbursement to efficiently and
10 economically operating nursing facilities and bear a reasonable
11 relationship to costs.

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

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

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

30 (6) \$1,883,000 of the general fund--state appropriation for fiscal
31 year 2012, \$1,883,000 of the general fund--state appropriation for
32 fiscal year 2013, and \$3,766,000 of the general fund--federal
33 appropriation are provided solely for state contributions for
34 individual provider health care benefits. Pursuant to the collective
35 bargaining agreement negotiated with the exclusive bargaining
36 representative of individual providers established under RCW
37 74.39A.270, the state shall contribute to the multiemployer health

1 benefits trust fund (~~(\$1.96)~~) \$2.21 per paid hour worked by individual
2 providers.

3 ~~(7) ((\$16,835,000 of the general fund--state appropriation for~~
4 ~~fiscal year 2012, \$17,952,000 of the general fund--state appropriation~~
5 ~~for fiscal year 2013, and \$34,786,000 of the general fund--federal~~
6 ~~appropriation are provided solely for home care agencies to purchase~~
7 ~~health coverage for home care providers. The department shall~~
8 ~~calculate and distribute payments for health care benefits to home care~~
9 ~~agencies at \$558 per month for each worker who cares for publicly~~
10 ~~funded clients at 86 hours or more per month. In order to negotiate~~
11 ~~the most comprehensive health benefits package for its employees, each~~
12 ~~agency may determine benefit levels according to the hours an employee~~
13 ~~works providing state-funded personal care. Health benefits shall be~~
14 ~~offered to all employees who care for publicly funded clients for 86~~
15 ~~hours per month or more. At a minimum, employees who care for publicly~~
16 ~~funded clients at 140 hours a month or greater must receive a~~
17 ~~comprehensive medical benefit. Benefits shall not be provided to~~
18 ~~employees who care for publicly funded clients at 85 hours or less per~~
19 ~~month or as interim respite workers. The department shall not pay an~~
20 ~~agency for benefits provided to an employee who otherwise receives~~
21 ~~health care coverage through other family members, other~~
22 ~~employment-based coverage, or military or veteran's coverage. The~~
23 ~~department shall require annually, each home care agency to review each~~
24 ~~of its employee's available health coverage and to provide a written~~
25 ~~declaration to the department verifying that health benefits purchased~~
26 ~~with public funds are solely for employees that do not have other~~
27 ~~available coverage. Home care agencies may determine a reasonable~~
28 ~~employee co-premium not to exceed 20 percent of the total benefit cost.~~

29 ~~(8))~~ \$2,063,000 of the general fund--state appropriation for
30 fiscal year 2012, \$2,195,000 of the general fund--state appropriation
31 for fiscal year 2013, and \$4,260,000 of the general fund--federal
32 appropriation are provided solely for the state's contribution to the
33 training partnership, as provided in RCW 74.39A.360, for instructional
34 costs associated with the training of individual providers. House Bill
35 No. 1548 and Senate Bill No. 5473 (long-term care worker requirements)
36 make statutory changes to the increased training requirements and
37 therefore the state shall contribute to the partnership \$0.17 per paid
38 hour worked by all home care workers. This amount is pursuant to the

1 collective bargaining agreement negotiated with the exclusive
2 bargaining representative of individual providers established under RCW
3 74.39A.270. Expenditures for the purposes specified in this subsection
4 shall not exceed the amounts provided in this subsection.

5 ~~((+9))~~ (8) Individuals receiving services as supplemental security
6 income (SSI) state supplemental payments shall not become eligible for
7 medical assistance under RCW 74.09.510 due solely to the receipt of SSI
8 state supplemental payments.

9 ~~((+10))~~ (9) The department shall eliminate the adult day health
10 program under the state plan 1915(i) option and shall reestablish it
11 under the long-term care home and community-based waiver.

12 ~~((+11) \$4,588,000)~~ (10) \$4,823,000 of the general fund--state
13 appropriation for fiscal year 2012, ~~((+\$4,559,000))~~ \$6,474,000 of the
14 general fund--state appropriation for fiscal year 2013, and
15 ~~((+\$9,237,000))~~ \$11,387,000 of the general fund--federal appropriation
16 are provided solely for the continued operation of community
17 residential and support services for persons who are older adults or
18 who have co-occurring medical and behavioral disorders and who have
19 been discharged or diverted from a state psychiatric hospital. These
20 funds shall be used to serve individuals whose treatment needs
21 constitute substantial barriers to community placement, who no longer
22 require active psychiatric treatment at an inpatient hospital level of
23 care, and who no longer meet the criteria for inpatient involuntary
24 commitment. The department shall prioritize services in order to
25 reduce utilization and maintain a reduction of 60 beds at western state
26 hospital that were previously used for long term placements for clients
27 with dementia, traumatic brain injuries, or other organic brain
28 disorders. The department shall ensure that a sufficient number of
29 individuals have been transitioned and diverted from western state
30 hospital to enable closure of a 30 bed ward on July 1, 2012, and of
31 another 30 bed ward on October 1, 2012. Coordination of these services
32 must be done in partnership between the mental health program and the
33 aging and disability services administration.

34 ~~((+12) \$1,840,000)~~ (11) \$1,380,000 of the general fund--state
35 appropriation for fiscal year 2012 ~~((and \$1,877,000 of the general~~
36 ~~fund--state appropriation for fiscal year 2013 are))~~ is provided
37 solely for operation of the volunteer services program. Funding shall

1 be prioritized towards serving populations traditionally served by
2 long-term care services to include senior citizens and persons with
3 disabilities.

4 ~~((+13))~~ (12) In accordance with Engrossed Substitute House Bill
5 No. 1277 (licensed settings for vulnerable adults), nursing facility
6 fees are increased in fiscal year 2012 and adult family home fees are
7 increased in fiscal year 2012 and fiscal year 2013 to support the costs
8 of conducting licensure, inspection, and regulatory programs.

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

15 (b) The current annual renewal license fee for adult family homes
16 shall be increased to \$100 per bed beginning in fiscal year 2012 and
17 assumes \$1,449,000 of the general fund--private/local appropriation;
18 and ~~((+175))~~ \$370 per bed beginning in fiscal year 2013 and assumes
19 ~~((+2,463,000))~~ \$5,062,000 of the general fund--private/local
20 appropriation. Adult family homes shall receive a corresponding vendor
21 rate increase per medicaid patient day of \$0.22 in fiscal year 2012 and
22 ~~((+0.43))~~ \$0.96 in fiscal year 2013 to cover the license fee increase
23 for publicly funded beds.

24 (c) Beginning in fiscal year 2012, a processing fee of \$2,750 shall
25 be charged to each adult family home when the home is initially
26 licensed. This fee is nonrefundable.

27 (d) \$72,000 of the general fund--state appropriation for fiscal
28 year 2012, \$708,000 of the general fund--private/local appropriation
29 and \$708,000 of the general fund--federal appropriation are provided
30 solely to implement sections 501 through 503 of Engrossed Substitute
31 House Bill No. 1277 (licensed settings for vulnerable adults). The
32 department shall use additional investigative resources to address
33 complaints about provider practices as well as alleged abuse, neglect,
34 abandonment, and exploitation of residents in adult family homes. The
35 department shall develop a statewide internal quality review and
36 accountability program to improve the accountability of staff and the
37 consistent application of investigative activities, and shall convene

1 a quality assurance panel to review problems in the quality of care in
2 adult family homes.

3 ((+14)) (13) \$3,316,000 of the traumatic brain injury account--
4 state appropriation is provided solely to continue services for persons
5 with traumatic brain injury (TBI) as defined in chapter 143, Laws of
6 2011 (traumatic brain injury strategic partnership).

7 ((+15)) (14) The department is authorized to place long-term care
8 clients residing in nursing homes and paid for with state only funds
9 into less restrictive community care settings while continuing to meet
10 the client's care needs.

11 **Sec. 207.** 2011 2nd sp.s. c 9 s 207 (uncodified) is amended to read
12 as follows:

13 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES**
14 **PROGRAM**

15	General Fund--State Appropriation (FY 2012)	((\$487,305,000))
16		<u>\$435,690,000</u>
17	General Fund--State Appropriation (FY 2013)	((\$503,362,000))
18		<u>\$467,369,000</u>
19	General Fund--Federal Appropriation	((\$1,167,467,000))
20		<u>\$1,172,182,000</u>
21	General Fund--Private/Local Appropriation	\$30,592,000
22	TOTAL APPROPRIATION	((\$2,188,726,000))
23		<u>\$2,105,833,000</u>

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

26 (1) ((~~\$258,880,000~~)) \$215,140,000 of the general fund--state
27 appropriation for fiscal year 2012, ((~~\$297,296,000~~)) \$262,296,000 of
28 the general fund--state appropriation for fiscal year 2013, and
29 ((~~\$710,173,000~~)) \$677,528,000 of the general fund--federal
30 appropriation are provided solely for all components of the WorkFirst
31 program. Under section 2 of Engrossed Substitute Senate Bill No. 5921
32 (social services programs), the amounts in this subsection assume that
33 any participant in the temporary assistance for needy families where
34 their participation is suspended and does not volunteer to participate
35 in WorkFirst services or unsubsidized employment does not receive child
36 care subsidies or WorkFirst subsidies as a condition of the suspension.

1 Within the amounts provided for the WorkFirst program, the department
2 may provide assistance using state-only funds for families eligible for
3 temporary assistance for needy families.

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

8 (b) The department may establish a career services work transition
9 program.

10 (c) Within the amounts provided in this subsection, (~~(\$1,414,000)~~)
11 \$50,000 of the general fund--state appropriation for fiscal year 2012
12 and (~~(\$5,150,000)~~) \$950,000 of the general fund--state appropriation
13 for fiscal year 2013 are provided solely for the implementation and
14 administration of the electronic benefit transfer system under section
15 12 of Engrossed Substitute Senate Bill No. 5921 (social services
16 programs). The department shall transfer these amounts to the
17 department of early learning for the implementation and administration
18 of the project.

19 (d) Within the amounts provided in this subsection, \$100,000 of the
20 general fund--state appropriation for fiscal year 2013 is provided
21 solely for the department of early learning to contract for an
22 independent consultant to evaluate and recommend the optimum system for
23 the eligibility determination process. The evaluation must include an
24 analysis of lean management processes that, if adopted, could improve
25 the cost effectiveness and delivery of eligibility determination.

26 (e) Within amounts appropriated in this section, the legislature
27 expressly mandates that the department exercise its authority, granted
28 in 1997 under RCW 74.08A.290, to contract for work activities services
29 pursuant to that statutory authority and RCW 41.06.142(3).

30 (~~(e)~~) (f) The department shall create a temporary assistance for
31 needy families budget structure that allows for more transparent
32 tracking of budget units and subunits of expenditures where these units
33 and subunits are mutually exclusive from other department budget units.
34 The budget structure shall include budget units for the following:
35 Grants, child care, WorkFirst activities, and administration of the
36 program.

37 (2)(a) (~~(\$11,825,000)~~) \$45,140,000 of the general fund--federal
38 appropriation is provided solely for a contingency reserve in the event

1 the temporary assistance for needy families cash benefit is projected
2 to exceed forecasted amounts by more than one percent. The department
3 shall only expend an amount equal to the forecasted over-expenditure.
4 For purposes of this subsection, the temporary assistance forecast
5 shall be completed every quarter and follow a similar schedule of the
6 caseload forecast council forecasts.

7 (b) If sufficient savings in subsection (1) of this section are
8 achieved, the department of early learning shall increase the number of
9 child care slots available for the working connections child care
10 program.

11 (3) (~~(\$23,494,000)~~) \$23,679,000 of the general fund--state
12 appropriation for fiscal year 2012, in addition to supplemental
13 security income recoveries, is provided solely for financial assistance
14 and other services to recipients in the program established in section
15 4, chapter 8, Laws of 2010 1st sp. sess., until the program terminates
16 on October 31, 2011.

17 (4)(a) (~~(\$13,086,000)~~) \$12,457,000 of the general fund--state
18 appropriation for fiscal year 2012 and (~~(\$24,788,000)~~) \$21,959,000 of
19 the general fund--state appropriation for fiscal year 2013, in addition
20 to supplemental security income recoveries, are provided solely for the
21 programs created in Engrossed Substitute House Bill No. 2082 (essential
22 needs and assistance program) beginning November 1, 2011.

23 (b) The department shall review clients receiving services through
24 the aged, blind, or disabled assistance program, to determine whether
25 they would benefit from assistance in becoming naturalized citizens,
26 and thus be eligible to receive federal supplemental security income
27 benefits. Those cases shall be given high priority for naturalization
28 funding through the department.

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

35 (5) \$1,657,000 of the general fund--state appropriation for fiscal
36 year 2012 and \$1,657,000 of the general fund--state appropriation for
37 fiscal year 2013 are provided solely for naturalization services.

(6) \$2,366,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for refugee employment services, of which \$1,774,000 is provided solely for the department to pass through to statewide refugee assistance organizations for limited English proficiency pathway services; and \$2,366,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for refugee employment services, of which \$1,774,000 is provided solely for the department to pass through to statewide refugee assistance organizations for limited English proficiency pathway services.

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

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

Sec. 208. 2011 2nd sp.s. c 9 s 208 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2012)	((\$74,287,000))
	<u>\$72,957,000</u>
General Fund--State Appropriation (FY 2013)	((\$74,422,000))
	<u>\$66,546,000</u>
General Fund--Federal Appropriation	((\$141,514,000))
	<u>\$178,776,000</u>
General Fund--Private/Local Appropriation	((\$2,086,000))
	<u>\$13,442,000</u>
Criminal Justice Treatment Account--State	
Appropriation	\$20,748,000
Problem Gambling Account--State Appropriation	\$1,448,000
TOTAL APPROPRIATION	((\$314,505,000))
	<u>\$353,917,000</u>

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

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

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

13 (3) In accordance with RCW 70.96A.090 and 43.135.055, the
14 department is authorized to increase fees for the review and approval
15 of treatment programs in fiscal years 2012 and 2013 as necessary to
16 support the costs of the regulatory program. The department's fee
17 schedule shall have differential rates for providers with proof of
18 accreditation from organizations that the department has determined to
19 have substantially equivalent standards to those of the department,
20 including but not limited to the joint commission on accreditation of
21 health care organizations, the commission on accreditation of
22 rehabilitation facilities, and the council on accreditation. To
23 reflect the reduced costs associated with regulation of accredited
24 programs, the department's fees for organizations with such proof of
25 accreditation must reflect the lower cost of licensing for these
26 programs than for other organizations which are not accredited.

27 (4) \$3,500,000 of the general fund--federal appropriation (from the
28 substance abuse prevention and treatment federal block grant) is
29 provided solely for the continued funding of existing county drug and
30 alcohol use prevention programs.

31 (5) Within amounts appropriated in this section, the department is
32 required to increase federal match available for intensive inpatient
33 services. During fiscal year 2013, the department shall shift
34 contracts for a minimum of 32 intensive inpatient beds currently
35 provided in settings that are considered institutions for mental
36 diseases to two or more facilities with fewer than 16 beds that are
37 able to claim federal match for services provided to medicaid clients
38 or individuals covered under the department's section 1115 medicaid

1 waiver. The department is authorized to conduct a request for proposal
 2 process to fulfill this requirement. By December 1, 2012, the
 3 department shall provide a plan to the office of financial management
 4 and to the relevant fiscal and policy committees of the legislature for
 5 transitioning all remaining intensive inpatient beds currently provided
 6 in settings that are considered institutions for mental diseases into
 7 facilities with fewer than 16 beds by June 2017. The plan shall
 8 identify the maximum number of additional beds that can be transitioned
 9 into facilities with fewer than 16 beds during the 2013-2015 fiscal
 10 biennium and the remaining number that will be transitioned during the
 11 2015-2017 fiscal biennium, a timeline and process for accomplishing
 12 this, and a projection of the related general fund--state savings for
 13 each biennium.

14 **Sec. 209.** 2011 2nd sp.s. c 9 s 209 (uncodified) is amended to read
 15 as follows:

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

18	General Fund--State Appropriation (FY 2012)	((\$10,874,000))
19		<u>\$10,629,000</u>
20	General Fund--State Appropriation (FY 2013)	((\$10,861,000))
21		<u>\$10,597,000</u>
22	General Fund--Federal Appropriation	((\$105,091,000))
23		<u>\$105,095,000</u>
24	Telecommunications Devices for the Hearing and	
25	Speech Impaired--State Appropriation	\$2,766,000
26	TOTAL APPROPRIATION	((\$129,592,000))
27		<u>\$129,087,000</u>

28 The appropriations in this section are subject to the following
 29 conditions and limitations: \$480,000 of the telecommunications devices
 30 for the hearing and speech impaired account--state appropriation is
 31 provided solely for the office of deaf and hard of hearing to contract
 32 for services that provide employment support and help with life
 33 activities for deaf-blind individuals in King county.

34 **Sec. 210.** 2011 2nd sp.s. c 9 s 210 (uncodified) is amended to read
 35 as follows:

1 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--SPECIAL COMMITMENT**
2 **PROGRAM**

3	General Fund--State Appropriation (FY 2012)	((\$47,719,000))
4		<u>\$48,180,000</u>
5	General Fund--State Appropriation (FY 2013)	((\$46,292,000))
6		<u>\$36,400,000</u>
7	TOTAL APPROPRIATION	((\$94,011,000))
8		<u>\$84,580,000</u>

9 **Sec. 211.** 2011 2nd sp.s. c 9 s 211 (uncodified) is amended to read
10 as follows:

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

13	General Fund--State Appropriation (FY 2012)	((\$26,125,000))
14		<u>\$25,736,000</u>
15	General Fund--State Appropriation (FY 2013)	((\$24,586,000))
16		<u>\$23,957,000</u>
17	General Fund--Federal Appropriation	((\$39,223,000))
18		<u>\$39,537,000</u>
19	General Fund--Private/Local Appropriation	\$2,116,000
20	Performance Audits of State Government--State	
21	Appropriation	\$4,812,000
22	TOTAL APPROPRIATION	((\$96,862,000))
23		<u>\$96,158,000</u>

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

26 (1) \$300,000 of the general fund--state appropriation for fiscal
27 year 2012 and \$300,000 of the general fund--state appropriation for
28 fiscal year 2013 are provided solely for the Washington state mentors
29 program to continue its public-private partnerships to provide
30 technical assistance and training to mentoring programs that serve
31 at-risk youth.

32 (2) ((~~\$445,000~~)) \$373,000 of the general fund--state appropriation
33 for fiscal year 2012 and ((~~\$445,000~~)) \$300,000 of the general fund--
34 state appropriation for fiscal year 2013 are provided solely for
35 funding of the teamchild project.

36 (3) ((~~\$178,000~~)) \$89,000 of the general fund--state appropriation

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

4 (4) \$4,812,000 of the performance audits of state government--state
5 appropriation is provided solely for support and expansion of the
6 division of fraud investigation. The division shall conduct
7 investigatory and enforcement activities for all department programs,
8 including the child support and TANF programs.

9 (5) (~~(\$1,400,000)~~) \$1,200,000 of the general fund--state
10 appropriation for fiscal year 2012 is provided solely for the
11 department to distribute as support to community public health and
12 safety networks that have a history of providing training and services
13 related to adverse childhood experiences. Distribution of these funds
14 is contingent upon securing funding from a private entity or entities
15 to provide one dollar in matching funds for each dollar in state funds
16 received by a network so that the funding received by a community
17 public health and safety network will be equal portions of state and
18 private funding.

19 **Sec. 212.** 2011 2nd sp.s. c 9 s 212 (uncodified) is amended to read
20 as follows:

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

23	General Fund--State Appropriation (FY 2012)	\$62,778,000
24	General Fund--State Appropriation (FY 2013)	((\$61,927,000))
25		<u>\$58,940,000</u>
26	General Fund--Federal Appropriation	\$58,400,000
27	TOTAL APPROPRIATION	((\$183,105,000))
28		<u>\$180,118,000</u>

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

31 \$469,000 of the general fund--state appropriation for fiscal year
32 2011 and \$270,000 of the general fund--state appropriation for fiscal
33 year 2012 are provided solely for implementation of Engrossed
34 Substitute Senate Bill No. 5921 (social services programs). If the
35 bill is not enacted by June 30, 2011, the amounts provided in this
36 subsection shall lapse.

1 **Sec. 213.** 2011 2nd sp.s. c 9 s 213 (uncodified) is amended to read
2 as follows:

3 **FOR THE STATE HEALTH CARE AUTHORITY**

4 General Fund--State Appropriation (FY 2012) ((~~\$2,130,229,000~~))
5 \$2,034,415,000
6 General Fund--State Appropriation (FY 2013) ((~~\$2,185,617,000~~))
7 \$2,029,268,000
8 General Fund--Federal Appropriation ((~~\$5,389,627,000~~))
9 \$5,297,576,000
10 General Fund--Private/Local Appropriation ((~~\$45,512,000~~))
11 \$48,049,000
12 Emergency Medical Services and Trauma Care Systems
13 Trust Account--State Appropriation \$15,077,000
14 Hospital Safety Net Assessment Fund--State
15 Appropriation ((~~\$394,905,000~~))
16 \$433,255,000
17 State Health Care Authority Administration Account--
18 State Appropriation ((~~\$34,118,000~~))
19 \$34,117,000
20 Basic Health Plan Stabilization Account--
21 State Appropriation \$44,000,000
22 Medical Aid Account--State Appropriation \$529,000
23 TOTAL APPROPRIATION ((~~\$10,239,614,000~~))
24 \$9,936,286,000

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

27 (1) The appropriations to the authority in this act shall be
28 expended for the purposes and in the amounts specified in this act. To
29 the extent that appropriations in this section are insufficient to fund
30 actual expenditures in excess of caseload forecasts and utilization
31 assumptions, the authority, after May 1, 2012, may transfer general
32 fund--state appropriations for fiscal year 2012 that are provided
33 solely for a specified purpose. The authority shall not transfer
34 funds, and the director of financial management shall not approve the
35 transfer, unless the transfer is consistent with the objective of
36 conserving, to the maximum extent possible, the expenditure of state
37 funds. The director of financial management shall notify the
38 appropriate fiscal committees of the senate and house of

1 representatives in writing seven days prior to approving any allotment
2 modifications or transfers under this subsection. The written
3 notification shall include a narrative explanation and justification of
4 the changes, along with expenditures and allotments by budget unit and
5 appropriation, both before and after any allotment modifications or
6 transfers.

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

17 ((+2)) (3) The health care authority shall require organizations
18 and individuals that are paid to deliver basic health plan services and
19 that choose to sponsor enrollment in the subsidized basic health plan
20 to pay 133 percent of the premium amount which would otherwise be due
21 from the sponsored enrollees.

22 ((+3)) (4)(a) \$1,200,000 of the general fund--state appropriation
23 for fiscal year 2012 is provided solely to plan the implementation of
24 a system of consolidated public school employee health benefits
25 purchasing.

26 It is the intent of the legislature to improve the administration,
27 transparency, and equity in delivering a K-12 employees' health
28 benefits system. In addition, the legislature intends that any cost
29 savings that result from changes to K-12 health benefits be dedicated
30 to public schools.

31 To further this legislative intent, the state health care authority
32 shall develop a plan to implement a consolidated health benefits'
33 system for K-12 employees for the 2013-14 school year. The health care
34 authority shall deliver a report to the legislature by December 15,
35 2011, that sets forth the implementation plan to the ways and means
36 committees of the house of representatives and the senate.

37 (b) The report prepared by the health care authority shall compare
38 and contrast the costs and benefits, both long and short term, of:

1 (i) The current K-12 health benefits system;
2 (ii) A new K-12 employee benefits pool; and
3 (iii) Enrolling K-12 employees into the health benefits pool for
4 state employees.

5 (c) In addition to the implementation plan, the report shall
6 include the following information:

7 (i) The costs and benefits of the current K-12 health benefits
8 system;

9 (ii) The costs and benefits of providing a new statewide K-12
10 employees' health benefits pool to school districts and school
11 employees;

12 (iii) The costs and benefits of enrolling K-12 employees into the
13 existing health benefits pool for state employees;

14 (iv) Recommendations of ways to limit administrative duplication
15 and costs, improve transparency to employees, the legislature, and the
16 public and assure equity among beneficiaries of publicly provided
17 employee health benefits;

18 (v) Recommendations for standardizing benefit packages and
19 purchasing efforts in a manner that seeks to maximize funding and
20 equity for all school employees;

21 (vi) Recommendations regarding the use of incentives, including how
22 changes to state health benefit allocations could provide employees
23 with benefits that would encourage participation;

24 (vii) Recommendations regarding the implementation of a new K-12
25 employee benefit plan, with separate options for voluntary
26 participation and mandatory statewide participation;

27 (viii) Recommendations regarding methods to reduce inequities
28 between individual and family coverage;

29 (ix) Consolidation of the purchasing and budget accountability for
30 school employee benefits to maximize administrative efficiency and
31 leverage existing skills and resources; and

32 (x) Other details the health care authority deems necessary,
33 including but not limited to recommendations on the following:

34 (A) Approaches for implementing the transition to a statewide pool,
35 including administrative and statutory changes necessary to ensure a
36 successful transition, and whether the pool should be separate from, or
37 combined with, the public employees' benefits pool;

1 (B) The structure of a permanent governing group to provide ongoing
2 oversight to the consolidated pool, in a manner similar to the public
3 employees benefits board functions for employee health benefits,
4 including statutory duties and authorities of the board; and

5 (C) Options for including potential changes to: Eligibility
6 standardization, the public employees benefits risk pools, the movement
7 of school employee retirees into the new K-12 pool or pools, and the
8 movement of educational service district employees into the new K-12
9 pool or pools.

10 (d) In determining its costs and benefits of a new statewide K-12
11 employees' health benefits pool for school districts and school
12 employees, the health care authority shall assume the following:

13 (i) School district enrollees must constitute an entire bargaining
14 unit, or an entire group of nonrepresented employees;

15 (ii) Staffing and administration for benefits purchasing shall be
16 provided by the health care authority; and

17 (iii) The new K-12 pool would operate on a schedule that
18 coordinates with the financing and enrollment schedule used for school
19 districts.

20 (e) The office of the superintendent of public instruction and the
21 office of the insurance commissioner shall provide information and
22 technical assistance to the health care authority as requested by the
23 health care authority. The health care authority shall not implement
24 the new school employee benefits pool until authorized to do so by the
25 legislature.

26 ~~((+4))~~ (5) The administrator shall take at least the following
27 actions to assure that persons participating in the basic health plan
28 are eligible for the level of assistance they receive: (a) Require
29 submission of (i) income tax returns, and recent pay history, from all
30 applicants, or (ii) other verifiable evidence of earned and unearned
31 income from those persons not required to file income tax returns; (b)
32 check employment security payroll records at least once every twelve
33 months on all enrollees; (c) require enrollees whose income as
34 indicated by payroll records exceeds that upon which their subsidy is
35 based to document their current income as a condition of continued
36 eligibility; (d) require enrollees for whom employment security payroll
37 records cannot be obtained to document their current income at least
38 once every six months; (e) not reduce gross family income for self-

1 employed persons by noncash-flow expenses such as, but not limited to,
2 depreciation, amortization, and home office deductions, as defined by
3 the United States internal revenue service; and (f) pursue repayment
4 and civil penalties from persons who have received excessive subsidies,
5 as provided in RCW 70.47.060(9).

6 ~~((+5))~~ (6) Enrollment in the subsidized basic health plan shall be
7 limited to only include persons who qualify as subsidized enrollees as
8 defined in RCW 70.47.020 and who (a) qualify for services under 1115
9 medicaid demonstration project number 11-W-00254/10; or (b) are foster
10 parents licensed under chapter 74.15 RCW.

11 ~~((+6))~~ (7) \$23,700,000 of the general fund--federal appropriation
12 is provided solely for planning and implementation of a health benefit
13 exchange under the federal patient protection and affordable care act.
14 Within the amounts provided in this subsection, funds used by the
15 authority for information technology projects are conditioned on the
16 authority satisfying the requirements of Engrossed Second Substitute
17 Senate Bill No. 5931 (central service agencies).

18 ~~((+7))~~ (8) Based on quarterly expenditure reports and caseload
19 forecasts, if the health care authority estimates that expenditures for
20 the medical assistance program will exceed the appropriations, the
21 health care authority shall take steps including but not limited to
22 reduction of rates or elimination of optional services to reduce
23 expenditures so that total program costs do not exceed the annual
24 appropriation authority.

25 ~~((+8))~~ (9) In determining financial eligibility for medicaid-
26 funded services, the health care authority is authorized to disregard
27 recoveries by Holocaust survivors of insurance proceeds or other
28 assets, as defined in RCW 48.104.030.

29 ~~((+9))~~ (10) The legislature affirms that it is in the state's
30 interest for Harborview medical center to remain an economically viable
31 component of the state's health care system.

32 ~~((+10))~~ (11) When a person is ineligible for medicaid solely by
33 reason of residence in an institution for mental diseases, the health
34 care authority shall provide the person with the same benefits as he or
35 she would receive if eligible for medicaid, using state-only funds to
36 the extent necessary.

37 ~~((+11))~~ (12) \$4,261,000 of the general fund--state appropriation
38 for fiscal year 2012, \$4,261,000 of the general fund--state

1 appropriation for fiscal year 2013, and \$8,522,000 of the general
2 fund--federal appropriation are provided solely for low-income
3 disproportionate share hospital payments under RCW 74.09.730(1)(a).

4 ~~((12) \$5,905,000 of the general fund state appropriation for
5 fiscal year 2012, \$5,905,000 of the general fund state appropriation
6 for fiscal year 2013, and \$11,810,000 of the general fund federal
7 appropriation are provided solely for nonrural indigent assistance
8 disproportionate share hospital payments in accordance with RCW
9 74.09.730(1)).~~

10 ~~(13) \$665,000 of the general fund state appropriation for fiscal
11 year 2012, \$665,000 of the general fund state appropriation for fiscal
12 year 2013, and \$1,330,000 of the general fund federal appropriation
13 are provided solely for small rural indigent assistance
14 disproportionate share hospital payments in accordance with RCW
15 74.09.730(1)).~~

16 ~~(14))~~ (13) \$6,000,000 of the general fund--federal appropriation
17 is provided solely for supplemental payments to nursing homes operated
18 by public hospital districts. The public hospital district shall be
19 responsible for providing the required nonfederal match for the
20 supplemental payment, and the payments shall not exceed the maximum
21 allowable under federal rules. It is the legislature's intent that the
22 payments shall be supplemental to and shall not in any way offset or
23 reduce the payments calculated and provided in accordance with part E
24 of chapter 74.46 RCW. It is the legislature's further intent that
25 costs otherwise allowable for rate-setting and settlement against
26 payments under chapter 74.46 RCW shall not be disallowed solely because
27 such costs have been paid by revenues retained by the nursing home from
28 these supplemental payments. The supplemental payments are subject to
29 retrospective interim and final cost settlements based on the nursing
30 homes' as-filed and final medicare cost reports. The timing of the
31 interim and final cost settlements shall be at the health care
32 authority's discretion. During either the interim cost settlement or
33 the final cost settlement, the health care authority shall recoup from
34 the public hospital districts the supplemental payments that exceed the
35 medicaid cost limit and/or the medicare upper payment limit. The
36 health care authority shall apply federal rules for identifying the
37 eligible incurred medicaid costs and the medicare upper payment limit.

1 (~~(15)~~) (14) The health care authority shall continue the
2 inpatient hospital certified public expenditures program for the 2011-
3 2013 fiscal biennium. The program shall apply to all public hospitals,
4 including those owned or operated by the state, except those classified
5 as critical access hospitals or state psychiatric institutions. The
6 health care authority shall submit reports to the governor and
7 legislature by November 1, 2011, and by November 1, 2012, that evaluate
8 whether savings continue to exceed costs for this program. If the
9 certified public expenditures (CPE) program in its current form is no
10 longer cost-effective to maintain, the health care authority shall
11 submit a report to the governor and legislature detailing
12 cost-effective alternative uses of local, state, and federal resources
13 as a replacement for this program. During fiscal year 2012 and fiscal
14 year 2013, hospitals in the program shall be paid and shall retain one
15 hundred percent of the federal portion of the allowable hospital cost
16 for each medicaid inpatient fee-for-service claim payable by medical
17 assistance and one hundred percent of the federal portion of the
18 maximum disproportionate share hospital payment allowable under federal
19 regulations. Inpatient medicaid payments shall be established using an
20 allowable methodology that approximates the cost of claims submitted by
21 the hospitals. Payments made to each hospital in the program in each
22 fiscal year of the biennium shall be compared to a baseline amount.
23 The baseline amount will be determined by the total of (a) the
24 inpatient claim payment amounts that would have been paid during the
25 fiscal year had the hospital not been in the CPE program based on the
26 reimbursement rates developed, implemented, and consistent with
27 policies approved in the 2011-13 biennial operating appropriations act
28 and in effect on July 1, 2011, (b) one half of the indigent assistance
29 disproportionate share hospital payment amounts paid to and retained by
30 each hospital during fiscal year 2005, and (c) all of the other
31 disproportionate share hospital payment amounts paid to and retained by
32 each hospital during fiscal year 2005 to the extent the same
33 disproportionate share hospital programs exist in the 2011-13 biennium.
34 If payments during the fiscal year exceed the hospital's baseline
35 amount, no additional payments will be made to the hospital except the
36 federal portion of allowable disproportionate share hospital payments
37 for which the hospital can certify allowable match. If payments during
38 the fiscal year are less than the baseline amount, the hospital will be

1 paid a state grant equal to the difference between payments during the
2 fiscal year and the applicable baseline amount. Payment of the state
3 grant shall be made in the applicable fiscal year and distributed in
4 monthly payments. The grants will be recalculated and redistributed as
5 the baseline is updated during the fiscal year. The grant payments are
6 subject to an interim settlement within eleven months after the end of
7 the fiscal year. A final settlement shall be performed. To the extent
8 that either settlement determines that a hospital has received funds in
9 excess of what it would have received as described in this subsection,
10 the hospital must repay the excess amounts to the state when requested.
11 (~~(\$24,677,000)~~) \$8,102,000 of the general fund--state appropriation for
12 fiscal year 2012, of which \$6,570,000 is appropriated in section 204(1)
13 of this act, and (~~(\$21,531,000)~~) \$3,162,000 of the general fund--state
14 appropriation for fiscal year 2013, of which \$6,570,000 is appropriated
15 in section 204(1) of this act, are provided solely for state grants for
16 the participating hospitals. CPE hospitals will receive the inpatient
17 and outpatient reimbursement rate restorations in RCW 74.60.080 and
18 rate increases in RCW 74.60.090 funded through the hospital safety net
19 assessment fund rather than through the baseline mechanism specified in
20 this subsection.

21 (~~(+16)~~) (15) The health care authority shall seek public-private
22 partnerships and federal funds that are or may become available to
23 provide on-going support for outreach and education efforts under the
24 federal children's health insurance program reauthorization act of
25 2009.

26 (~~(+17)~~) (16) The health care authority shall target funding for
27 maternity support services towards pregnant women with factors that
28 lead to higher rates of poor birth outcomes, including hypertension, a
29 preterm or low birth weight birth in the most recent previous birth, a
30 cognitive deficit or developmental disability, substance abuse, severe
31 mental illness, unhealthy weight or failure to gain weight, tobacco
32 use, or African American or Native American race. The health care
33 authority shall prioritize evidence-based practices for delivery of
34 maternity support services. To the extent practicable, the health care
35 authority shall develop a mechanism to increase federal funding for
36 maternity support services by leveraging local public funding for those
37 services.

1 ~~((+18+))~~ (17) For children with family incomes above 200 percent of
2 the federal poverty level in the state-funded children's health program
3 for children who are not eligible for coverage under the federally
4 funded children's health insurance program, premiums shall be set every
5 two years in an amount equal to the average state-only share of the per
6 capita cost of coverage in the state-funded children's health program
7 for children in families with incomes at or less than two hundred
8 percent of the federal poverty level.

9 ~~((+19) \$704,000 of the general fund--state appropriation for fiscal
10 year 2012, \$726,000 of the general fund--state appropriation for fiscal
11 year 2013, and \$1,431,000 of the general fund--federal appropriation
12 are provided solely for))~~ (18) Within the amounts appropriated in this
13 section, the health care authority shall provide disproportionate share
14 hospital payments to hospitals that provide services to children in the
15 children's health program who are not eligible for services under Title
16 XIX or XXI of the federal social security act due to their citizenship
17 status.

18 ~~((+20) \$998,000))~~ (19) \$859,000 of the general fund--state
19 appropriation for fiscal year 2012, \$979,000 of the general fund--state
20 appropriation for fiscal year 2013, and ~~((+\$1,980,000))~~ \$1,841,000 of
21 the general fund--federal appropriation are provided solely to increase
22 prior authorization activities for advanced imaging procedures.

23 ~~((+21) \$249,000))~~ (20) \$196,000 of the general fund--state
24 appropriation for fiscal year 2012, \$246,000 of the general fund--state
25 appropriation for fiscal year 2013, and ~~((+\$495,000))~~ \$442,000 of the
26 general fund--federal appropriation are provided solely to increase
27 prior authorization activities for surgical procedures, which may
28 include orthopedic procedures, spinal procedures and interventions, and
29 nerve procedures.

30 ~~((+22+))~~ (21) \$300,000 of the general fund--private/local
31 appropriation and \$300,000 of the general fund--federal appropriation
32 are provided solely for a prescriptive practices improvement
33 collaborative focusing upon atypical antipsychotics and other
34 medications commonly used in the treatment of severe and persistent
35 mental illnesses among adults. The project shall promote collaboration
36 among community mental health centers, other major prescribers of
37 atypical antipsychotic medications to adults enrolled in state medical
38 assistance programs, and psychiatrists, pharmacists, and other

1 specialists at the University of Washington department of psychiatry
2 and/or other research universities. The collaboration shall include
3 patient-specific prescriber consultations by psychiatrists and
4 pharmacists specializing in treatment of severe and persistent mental
5 illnesses among adults; production of profiles to assist prescribers
6 and clinics in tracking their prescriptive practices and their
7 patients' medication use and adherence relative to evidence-based
8 practices guidelines, other prescribers, and patients at other clinics;
9 and in-service seminars at which participants can share and increase
10 their knowledge of evidence-based and other effective prescriptive
11 practices. The health care authority shall enter into an interagency
12 agreement with the office of the attorney general for expenditure of
13 \$300,000 of the state's proceeds of the *cy pres* settlement in *State of*
14 *Washington v. AstraZeneca* (Seroquel) for this purpose.

15 ~~((+23))~~ (22) \$570,000 of the general fund--private/local
16 appropriation is provided solely for continued operation of the
17 partnership access line for child mental health consultations. The
18 health care authority shall enter into an interagency agreement with
19 the office of the attorney general for expenditure of \$570,000 of the
20 state's proceeds of the *cy pres* settlement in *State of Washington v.*
21 *AstraZeneca* (Seroquel) for this purpose.

22 ~~((+24))~~ (23) \$80,000 of the general fund--state appropriation for
23 fiscal year 2012, \$80,000 of the general fund--state appropriation for
24 fiscal year 2013, and \$160,000 of the general fund--federal
25 appropriation are provided solely to fund the Tacoma-Pierce county
26 health department for access and outreach activities to reduce infant
27 mortality.

28 ~~((+25))~~ (24) \$75,000 of the general fund--state appropriation for
29 fiscal year 2012, \$75,000 of the general fund--state appropriation for
30 fiscal year 2013, and \$150,000 of the general fund--federal
31 appropriation are provided solely to assist with development and
32 implementation of evidence-based strategies regarding the appropriate,
33 safe, and effective role of C-section surgeries and early induced labor
34 in births and neonatal care. The strategies shall be identified and
35 implemented in consultation with clinical research specialists,
36 physicians, hospitals, advanced registered nurse practitioners, and
37 organizations concerned with maternal and child health.

1 ~~((26) \$2,400,000 of the general fund state appropriation for~~
2 ~~fiscal year 2012, \$2,435,000 of the general fund state appropriation~~
3 ~~for fiscal year 2013, \$7,253,000 of the general fund private/local~~
4 ~~appropriation, and \$12,455,000 of the general fund federal~~
5 ~~appropriation are provided solely for continued provision of)) (25)~~
6 Within the amounts appropriated in this section, the health care
7 authority shall continue to provide school-based medical services by
8 means of an intergovernmental transfer arrangement. Under the
9 arrangement, the state shall provide forty percent and school districts
10 sixty percent of the nonfederal matching funds required for receipt of
11 federal medicaid funding for the service.

12 ~~((27)) (26) \$263,000 of the general fund--state appropriation for~~
13 ~~fiscal year 2012, \$88,000 of the general fund--state appropriation for~~
14 ~~fiscal year 2013, and \$351,000 of the general fund--federal~~
15 ~~appropriation are provided solely for development and submission to the~~
16 ~~federal government by October 1, 2011, of a demonstration project~~
17 ~~proposal as provided in Substitute Senate Bill No. 5596 (medicaid~~
18 ~~demonstration waiver).~~

19 ~~((28) \$5,600,000 of the general fund state appropriation for~~
20 ~~fiscal year 2012, \$4,094,000 of the general fund state appropriation~~
21 ~~for fiscal year 2013, and \$11,332,000 of the general fund federal~~
22 ~~appropriation are provided solely for)) (27) Within the amounts~~
23 appropriated in this section, the health care authority shall provide
24 spoken-language interpreter services. The authority shall develop and
25 implement a new model for delivery of such services no later than
26 January 1, 2012. The model shall include:

27 (a) Development by the authority in consultation with subject-area
28 experts of guidelines to assist medical practitioners identify the
29 circumstances under which it is appropriate to use telephonic or video-
30 remote interpreting;

31 (b) The requirement that the state contract with delivery
32 organizations, including foreign language agencies, who employ or
33 subcontract only with language access providers or interpreters working
34 in the state who are certified or authorized by the state. When a
35 state-certified or state-authorized in-state language access provider
36 or interpreter is not available, the delivery organization, including
37 foreign language agencies, may use a provider with other certifications

1 or qualifications deemed to meet state standards, including
2 interpreters in other states; and

3 (c) Provision of a secure, web-based tool that medical
4 practitioners will use to schedule appointments for interpreter
5 services and to identify the most appropriate, cost-effective method of
6 service delivery in accordance with the state guidelines.

7 Nothing in this subsection affects the ability of health care
8 providers to provide interpretive services through employed staff or
9 through telephone and video remote technologies when not reimbursed
10 directly by the department. The amounts in this subsection do not
11 include federal administrative funds provided to match nonstate
12 expenditures by local health jurisdictions and governmental hospitals.

13 ~~((+29+))~~ (28) In its procurement of contractors for delivery of
14 medical managed care services for nondisabled, nonelderly persons, the
15 medical assistance program shall (a) place substantial emphasis upon
16 price competition in the selection of successful bidders; and (b) not
17 require delivery of any services that would increase the actuarial cost
18 of service beyond the levels included in current healthy options
19 contracts.

20 ~~((+30+))~~ (29) \$1,430,000 of the general fund--state appropriation
21 for fiscal year 2012, \$1,430,000 of the general fund--state
22 appropriation for fiscal year 2013, and \$2,860,000 of the general
23 fund--federal appropriation are provided solely to pay
24 federally-designated rural health clinics their standard encounter rate
25 for prenatal and well-child visits, whether delivered under a managed
26 care contract or fee-for-service. In reconciling managed care
27 enhancement payments for calendar years 2009 and 2010, the department
28 shall treat well-child and prenatal care visits as encounters subject
29 to the clinic's encounter rate.

30 ~~((+31+))~~ (30) \$280,000 of the general fund--state appropriation for
31 fiscal year 2012 and \$282,000 of the general fund--federal
32 appropriation are provided solely to increase utilization management of
33 drugs and drug classes for which there is evidence of over-utilization,
34 off-label use, excessive dosing, duplicative therapy, or opportunities
35 to shift utilization to less expensive, equally effective formulations.

36 ~~((+32+))~~ (31) \$70,000 of the general fund--state appropriation for
37 fiscal year 2012, \$70,000 of the general fund--state appropriation for
38 fiscal year 2013, and \$140,000 of the general fund--federal

1 appropriation are provided solely to continue operation by a nonprofit
2 organization of a toll-free hotline that assists families to learn
3 about and enroll in the apple health for kids program.

4 ~~((+33))~~ (32) \$400,000 of the general fund--state appropriation for
5 fiscal year 2012 and \$400,000 of the general fund--state appropriation
6 for fiscal year 2013 is provided solely for the local outreach, case
7 management, and coordination with dental providers needed to execute
8 the access to baby and child dentistry program, which provides dental
9 care to Medicaid eligible children up to age six.

10 ~~((+34) \$1,868,000 of the general fund--state appropriation for
11 fiscal year 2012, \$1,873,000 of the general fund--state appropriation
12 for fiscal year 2013, and \$3,154,000 of the general fund--federal
13 appropriation are provided solely to))~~ (33) Within the amounts
14 appropriated in this section, the health care authority shall continue
15 to provide dental services to pregnant women. Services shall include
16 preventive, routine, and emergent dental care.

17 ~~((+35))~~ (34) \$395,000 of the general fund--state appropriation for
18 fiscal year 2012, \$395,000 of the general fund--state appropriation for
19 fiscal year 2013, and \$790,000 of the general fund--federal
20 appropriation are provided solely for continued operation of the
21 dental education in care of persons with disabilities (DECOD) program
22 at the University of Washington.

23 ~~((+36) \$112,000))~~ (35) \$282,000 of the general fund--state
24 appropriation for fiscal year 2012, ~~((+\$112,000))~~ \$291,000 of the
25 general fund--state appropriation for fiscal year 2013, and
26 ~~((+\$1,928,000))~~ \$146,421,000 of the general fund--federal appropriation
27 are provided solely for the provider incentive program and other
28 initiatives related to the health information technology Medicaid plan.

29 ~~((+37))~~ (36) \$2,926,000 of the general fund--local appropriation
30 and \$2,928,000 of the general fund--federal appropriation are provided
31 solely to support medical airlift services.

32 ~~((+38))~~ (37) The authority shall collect data on enrollment and
33 utilization to study whether the expansion of family planning coverage
34 under Substitute Senate Bill No. 5912 is reducing state medical
35 expenditures by reducing unwanted pregnancies. The authority shall
36 report its findings to the legislature by December 1, 2012.

37 ~~((+39))~~ (38) \$480,000 of the general fund--state appropriation for
38 fiscal year 2012, \$480,000 of the general fund--state appropriation for

1 fiscal year 2013, and \$824,000 of the general fund--federal
2 appropriation are provided solely for customer services staff. The
3 authority will attempt to improve the phone answer rate to 40 percent
4 and reduce the response times to written questions to ten days for
5 clients and 25 days for providers. The authority will report to the
6 legislature on its progress toward achieving these goals by January 1,
7 2012. If the authority has not achieved these goals by July 1, 2012,
8 then the authority shall reduce expenditures on management staff in
9 order to increase expenditures on customer service staff until the
10 goals are achieved.

11 ~~((+40+))~~ (39) The department shall purchase a brand name drug when
12 it determines that the cost of the brand name drug after rebates is
13 less than the cost of generic alternatives and that purchase of the
14 brand rather than generic version can save at least \$250,000. The
15 department may purchase generic alternatives when changes in market
16 prices make the price of the brand name drug after rebates more
17 expensive than the generic alternatives.

18 ~~((+41) The department shall collaborate closely with the Washington
19 state hospital and medical associations in identification of the
20 diagnostic codes and retroactive review procedures that will be used to
21 determine whether an emergency room visit is a nonemergency condition
22 to assure that conditions that require emergency treatment continue to
23 be covered.))~~

24 (40) The authority, in collaboration with the department of social
25 and health services, the department of health, the Washington state
26 hospital association, the Puget Sound health alliance, the Washington
27 association of community and migrant health centers, and the forum, a
28 collaboration of health carriers, physicians, and hospitals in
29 Washington state, shall design a system of rural health system access
30 and quality incentive payments. The incentive payments must be linked
31 to explicit performance measures that consider not only services
32 provided by health care providers, but also the role that providers
33 might play in the rural health delivery systems in their communities,
34 including the provision of long-term care services. In designing the
35 incentive payment system, the authority shall consider the department
36 of health's necessary provider criteria for critical access hospitals,
37 the quality measures used to determine quality incentive payments under
38 RCW 74.60.130, and any other performance measures that would promote

1 access and quality in rural health systems. The authority, in
2 conjunction with those groups identified in this subsection, shall
3 develop parameters for determining criteria for increased payment,
4 alternative payment methodologies, or other incentives for those
5 providers that improve and achieve sustained improvement with respect
6 to the measures. The design of the system shall be submitted to the
7 relevant policy and fiscal committees of the legislature by December
8 15, 2012.

9 (41) \$150,000 of the general fund--state appropriation for fiscal
10 year 2012 and \$1,964,000 of the general fund--state appropriation for
11 fiscal year 2013 are provided solely to implement Engrossed Second
12 Substitute House Bill No. 2319 (affordable care act). If the bill is
13 not enacted by June 30, 2012, the amounts provided in this subsection
14 shall lapse.

15 (42) \$198,000 of the general fund--state appropriation for fiscal
16 year 2012, \$821,000 of the general fund--state appropriation for fiscal
17 year 2013, and \$9,170,000 of the general fund--federal appropriation
18 are provided solely to implement the federally-mandated conversion from
19 the ninth to the tenth version of the world health organization's
20 international classification of diseases.

21 (43) \$1,109,000 of the general fund--state appropriation for fiscal
22 year 2012, \$1,471,000 of the general fund--state appropriation for
23 fiscal year 2013, and \$21,890,000 of the general fund--federal
24 appropriation are provided solely to implement phase two of the project
25 to create a single provider payment system that consolidates medicaid
26 medical and social services payments and replaces the social service
27 payment system.

28 **Sec. 214.** 2011 1st sp.s. c 50 s 214 (uncodified) is amended to
29 read as follows:

30 **FOR THE HUMAN RIGHTS COMMISSION**

31	General Fund--State Appropriation (FY 2012)	((\$2,240,000))
32		<u>\$2,015,000</u>
33	General Fund--State Appropriation (FY 2013)	((\$2,242,000))
34		<u>\$2,017,000</u>
35	General Fund--Federal Appropriation	\$1,903,000
36	TOTAL APPROPRIATION	((\$6,385,000))
37		<u>\$5,935,000</u>

1 **Sec. 215.** 2011 2nd sp.s. c 9 s 214 (uncodified) is amended to read
2 as follows:

3 **FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS**

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

5	Appropriation	\$10,000
6	Accident Account--State Appropriation	((\$19,690,000))
7		<u>\$19,689,000</u>
8	Medical Aid Account--State Appropriation	\$19,689,000
9	TOTAL APPROPRIATION	((\$39,389,000))
10		<u>\$39,388,000</u>

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

13 (1) \$36,000 of the accident account--state appropriation and
14 \$36,000 of the medical aid account--state appropriation are solely
15 provided for Engrossed Substitute Senate Bill No. 5068 (industrial
16 safety and health act). If the bill is not enacted by June 30, 2011,
17 the amounts provided in this subsection shall lapse.

18 (2) \$16,000 of the accident account--state appropriation and
19 \$16,000 of the medical aid account--state appropriation are solely
20 provided for Substitute Senate Bill No. 5801 (industrial insurance
21 system). If the bill is not enacted by June 30, 2011, the amounts
22 provided in this subsection shall lapse.

23 (3) \$1,893,000 of the accident account--state appropriation and
24 \$1,893,000 of the medical aid account--state appropriation are provided
25 solely for implementation of House Bill No. 2123 (workers'
26 compensation). If the bill is not enacted by June 30, 2011, the
27 amounts provided in this subsection shall lapse.

28 **Sec. 216.** 2011 2nd sp.s. c 9 s 215 (uncodified) is amended to read
29 as follows:

30 **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

31	General Fund--State Appropriation (FY 2012)	((\$14,850,000))
32		<u>\$14,482,000</u>
33	General Fund--State Appropriation (FY 2013)	((\$14,711,000))
34		<u>\$8,593,000</u>
35	General Fund--Federal Appropriation	\$456,000
36	General Fund--Private/Local Appropriation	((\$4,048,000))
37		<u>\$8,650,000</u>

1	Death Investigations Account--State Appropriation	\$148,000
2	Municipal Criminal Justice Assistance Account--	
3	State Appropriation	((\$460,000))
4		<u>\$345,000</u>
5	Washington Auto Theft Prevention Authority Account--	
6	State Appropriation	\$8,597,000
7	TOTAL APPROPRIATION	((\$43,270,000))
8		<u>\$41,271,000</u>

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

11 (1) \$5,000,000 of the general fund--state appropriation for fiscal
12 year 2012 and \$5,000,000 of the general fund--state appropriation for
13 fiscal year 2013, are provided to the Washington association of
14 sheriffs and police chiefs solely to verify the address and residency
15 of registered sex offenders and kidnapping offenders under RCW
16 9A.44.130.

17 (2) (~~(\$321,000 of the general fund--local appropriation is provided~~
18 ~~solely to purchase ammunition for the basic law enforcement academy.)~~)
19 In fiscal year 2012, jurisdictions shall reimburse to the criminal
20 justice training commission the costs of ammunition, based on the
21 average cost of ammunition per cadet, for cadets that they enroll in
22 the basic law enforcement academy.

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

25 (4) \$100,000 of the general fund--state appropriation for fiscal
26 year 2012 and \$100,000 of the general fund--state appropriation for
27 fiscal year 2013 are provided solely for a school safety program. The
28 commission, in collaboration with the school safety center advisory
29 committee, shall provide the school safety training for all school
30 administrators and school safety personnel hired after the effective
31 date of this section.

32 (5) \$96,000 of the general fund--state appropriation for fiscal
33 year 2012 and (~~(\$90,000))~~ \$96,000 of the general fund--state
34 appropriation for fiscal year 2013 are provided solely for the school
35 safety center within the commission. The safety center shall act as an
36 information dissemination and resource center when an incident occurs
37 in a school district in Washington or in another state, coordinate
38 activities relating to school safety, and review and approve manuals

1 and curricula used for school safety models and training. Through an
 2 interagency agreement, the commission shall provide funding for the
 3 office of the superintendent of public instruction to continue to
 4 develop and maintain a school safety information web site. The school
 5 safety center advisory committee shall develop and revise the training
 6 program, using the best practices in school safety, for all school
 7 safety personnel. The commission shall provide research-related
 8 programs in school safety and security issues beneficial to both law
 9 enforcement and schools.

10 (6) (~~(\$1,000,000)~~) \$750,000 of the general fund--state
 11 appropriation for fiscal year 2012 (~~(and \$1,000,000 of the general~~
 12 ~~fund--state appropriation for fiscal year 2013 are))~~) is provided solely
 13 for grants to counties enforcing illegal drug laws and which have been
 14 underserved by federally funded state narcotics task forces. The
 15 Washington association of sheriffs and police chiefs, the Washington
 16 association of prosecuting attorneys, and the Washington association of
 17 county officials shall jointly develop funding allocations for the
 18 offices of the county sheriff, county prosecutor, and county clerk in
 19 qualifying counties. The commission shall not impose an administrative
 20 cost on this program.

21 **Sec. 217.** 2011 2nd sp.s. c 9 s 216 (uncodified) is amended to read
 22 as follows:

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

24	General Fund--State Appropriation (FY 2012)	((\$17,433,000))
25		<u>\$17,294,000</u>
26	General Fund--State Appropriation (FY 2013)	((\$18,374,000))
27		<u>\$17,209,000</u>
28	General Fund--Federal Appropriation	\$11,636,000
29	Asbestos Account--State Appropriation	((\$395,000))
30		<u>\$379,000</u>
31	Electrical License Account--State Appropriation	((\$37,019,000))
32		<u>\$36,520,000</u>
33	Farm Labor Revolving Account--Private/Local Appropriation . . .	\$28,000
34	Worker and Community Right-to-Know Account--	
35	State Appropriation	((\$949,000))
36		<u>\$922,000</u>
37	Public Works Administration Account--State	

1	Appropriation	((\$6,814,000))
2		<u>\$7,007,000</u>
3	Manufactured Home Installation Training Account--	
4	State Appropriation	\$334,000
5	Accident Account--State Appropriation	((\$252,809,000))
6		<u>\$253,453,000</u>
7	Accident Account--Federal Appropriation	\$13,622,000
8	Medical Aid Account--State Appropriation	((\$264,202,000))
9		<u>\$265,298,000</u>
10	Medical Aid Account--Federal Appropriation	\$3,186,000
11	Plumbing Certificate Account--State Appropriation	((\$1,688,000))
12		<u>\$1,684,000</u>
13	Pressure Systems Safety Account--State	
14	Appropriation	((\$4,068,000))
15		<u>\$4,070,000</u>
16	TOTAL APPROPRIATION	((\$632,557,000))
17		<u>\$632,642,000</u>

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

20 (1) Pursuant to RCW 43.135.055, the department is authorized to
21 increase fees related to factory assembled structures, contractor
22 registration, electricians, plumbers, asbestos removal, boilers,
23 elevators, and manufactured home installers. Plumber fees may be
24 increased each year of the fiscal biennium. These increases are
25 necessary to support expenditures authorized in this section,
26 consistent with chapters 43.22, 18.27, 19.28, and 18.106 RCW, RCW
27 49.26.130, and chapters 70.79, 70.87, and 43.22A RCW.

28 (2) \$50,000 of the general fund--state appropriation for fiscal
29 year 2012 and \$50,000 of the general fund--state appropriation for
30 fiscal year 2013 are provided solely for the crime victims compensation
31 program to pay claims for mental health services for crime victim
32 compensation program clients who have an established relationship with
33 a mental health provider and subsequently obtain coverage under the
34 medicaid program or the medical care services program under chapter
35 74.09 RCW. Prior to making such payment, the program must have
36 determined that payment for the specific treatment or provider is not
37 available under the medicaid or medical care services program. In
38 addition, the program shall make efforts to contact any healthy options

1 or medical care services health plan in which the client may be
2 enrolled to help the client obtain authorization to pay the claim on an
3 out-of-network basis.

4 (3) \$1,281,000 of the accident account--state appropriation and
5 \$1,281,000 of the medical aid account--state appropriation are provided
6 solely for implementation of Engrossed Substitute House Bill No. 1725
7 (workers' compensation). If the bill is not enacted by June 30, 2011,
8 the amounts provided in this subsection shall lapse.

9 (4) \$51,000 of the accident account--state appropriation and
10 \$51,000 of the medical aid account--state appropriation are provided
11 solely for implementation of Engrossed Substitute House Bill No. 1367
12 (for hire vehicles, operators). If the bill is not enacted by June 30,
13 2011, the amounts provided in this subsection shall lapse.

14 (5) \$8,727,000 of the medical aid account--state appropriation is
15 provided solely for implementation of Substitute Senate Bill No. 5801
16 (industrial insurance system). If the bill is not enacted by June 30,
17 2011, the amount provided in this subsection shall lapse.

18 (6) \$625,000 of the general fund--state appropriation for fiscal
19 year 2012, \$625,000 of the general fund--state appropriation for fiscal
20 year 2013, \$1,250,000 of the public works administration account--state
21 appropriation, \$708,000 of the accident account--state appropriation,
22 and \$708,000 of the medical aid account--state appropriation are
23 provided solely for the purposes of expanding the detecting
24 unregistered employers targeting system and to support field staff in
25 investigation and enforcement. Within the funds appropriated in this
26 subsection, the department shall aggressively combat the underground
27 economy in construction. Of the amounts provided in this subsection,
28 \$800,000 shall be used for investigation and enforcement.

29 (7) \$8,583,000 of the accident account--state appropriation and
30 \$18,278,000 of the medical aid account--state appropriation are
31 provided solely for implementation of House Bill No. 2123 (workers'
32 compensation). If the bill is not enacted by June 30, 2011, the
33 amounts provided in this subsection shall lapse.

34 **Sec. 218.** 2011 2nd sp.s. c 9 s 217 (uncodified) is amended to read
35 as follows:

36 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

37 (1) HEADQUARTERS

1 General Fund--State Appropriation (FY 2012) \$1,832,000
 2 General Fund--State Appropriation (FY 2013) \$1,826,000
 3 Charitable, Educational, Penal, and Reformatory
 4 Institutions Account--State Appropriation \$10,000
 5 TOTAL APPROPRIATION \$3,668,000

6 (2) FIELD SERVICES

7 General Fund--State Appropriation (FY 2012) \$5,006,000
 8 General Fund--State Appropriation (FY 2013) \$5,001,000
 9 General Fund--Federal Appropriation \$3,356,000
 10 General Fund--Private/Local Appropriation \$4,737,000
 11 Veterans Innovations Program Account--State
 12 Appropriation \$812,000
 13 Veteran Estate Management Account--Private/Local
 14 Appropriation \$1,083,000
 15 TOTAL APPROPRIATION \$19,995,000

16 The appropriations in this subsection are subject to the following
 17 conditions and limitations: \$821,000 of the veterans innovations
 18 program account--state appropriation is provided solely for the
 19 department to continue support for returning combat veterans through
 20 the veterans innovation program, including emergency financial
 21 assistance through the defenders' fund and long-term financial
 22 assistance through the competitive grant program.

23 (3) INSTITUTIONAL SERVICES

24 General Fund--State Appropriation (FY 2012) ((~~\$899,000~~))
 25 \$1,755,000
 26 (~~(General Fund--State Appropriation (FY 2013) \$71,000)~~)
 27 General Fund--Federal Appropriation ((~~\$59,177,000~~))
 28 \$61,734,000
 29 General Fund--Private/Local Appropriation ((~~\$32,094,000~~))
 30 \$29,724,000
 31 TOTAL APPROPRIATION ((~~\$92,241,000~~))
 32 \$93,213,000

33 **Sec. 219.** 2011 2nd sp.s. c 9 s 218 (uncodified) is amended to read
 34 as follows:

35 **FOR THE DEPARTMENT OF HEALTH**

36 General Fund--State Appropriation (FY 2012) ((~~\$79,888,000~~))

1		<u>\$78,865,000</u>
2	General Fund--State Appropriation (FY 2013)	((\$79,718,000))
3		<u>\$68,042,000</u>
4	General Fund--Federal Appropriation	((\$555,563,000))
5		<u>\$552,931,000</u>
6	General Fund--Private/Local Appropriation	((\$148,362,000))
7		<u>\$148,456,000</u>
8	Hospital Data Collection Account--State Appropriation	((\$214,000))
9		<u>\$376,000</u>
10	Health Professions Account--State Appropriation	((\$94,469,000))
11		<u>\$99,498,000</u>
12	Aquatic Lands Enhancement Account--State Appropriation	\$604,000
13	Emergency Medical Services and Trauma Care Systems	
14	Trust Account--State Appropriation	\$12,302,000
15	Safe Drinking Water Account--State Appropriation	\$4,480,000
16	Drinking Water Assistance Account--Federal	
17	Appropriation	\$22,875,000
18	Waterworks Operator Certification--State	
19	Appropriation	\$1,532,000
20	Drinking Water Assistance Administrative Account--	
21	State Appropriation	\$326,000
22	<u>Site Closure Account--State Appropriation</u>	<u>\$79,000</u>
23	Biotoxin Account--State Appropriation	\$1,167,000
24	State Toxics Control Account--State Appropriation	\$3,649,000
25	Medical Test Site Licensure Account--State	
26	Appropriation	\$2,321,000
27	Youth Tobacco Prevention Account--State Appropriation	\$1,512,000
28	Community and Economic Development Fee Account--State	
29	Appropriation	((\$596,000))
30		<u>\$298,000</u>
31	Public Health Supplemental Account--Private/Local	
32	Appropriation	\$3,598,000
33	Accident Account--State Appropriation	\$297,000
34	Medical Aid Account--State Appropriation	\$50,000
35	Tobacco Prevention and Control Account--State	
36	Appropriation	((\$37,000))
37		<u>\$1,737,000</u>
38	TOTAL APPROPRIATION	((\$1,013,560,000))

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

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

(2) In accordance with RCW 43.70.250 and 43.135.055, the department is authorized to establish and raise fees in fiscal year 2012 as necessary to meet the actual costs of conducting business and the appropriation levels in this section. This authorization applies to fees required for: The review of health care facility construction; review of health facility requests for certificate of need; the regulation and inspection of farm worker housing, hospital licensing, in-home health service agencies, and producers of radioactive waste; the regulation and inspection of shellfish sanitary control, surgical facility licensing, and; fees associated with the following professions: Dietitians and nutritionists, occupational therapists, pharmacy, veterinarian, orthotics and prosthetics, surgical technicians, nursing home administrators, health care assistants,

1 hearing and speech, psychology, hypnotherapy, chiropractic, social
2 workers, physicians, and physician assistants.

3 (3) Pursuant to RCW 18.130.250, the department is authorized to
4 establish a lower cost fee category for retired licensed practical
5 nurses and registered nurses.

6 (4) In accordance with RCW 43.135.055, the department is authorized
7 to adopt fees set forth in and previously authorized in chapter 92,
8 Laws of 2010.

9 (5) \$1,969,000 of the health professions account--state
10 appropriation is provided solely to implement online licensing for
11 health care providers. The department must submit a detailed
12 investment plan for this project to the office of financial management.
13 The office of financial management must review and approve this plan
14 before funding may be expended. The department of health must
15 successfully implement online application and renewal for at least one
16 profession as a pilot project before pursuing additional professions.
17 The department must report to the office of financial management on the
18 outcome of the pilot project.

19 ((+4)) (6) \$16,000 of the health professions account--state
20 appropriation is provided solely for the implementation of House Bill
21 No. 1181 (board of naturopathy). If the bill is not enacted by June
22 30, 2011, the amount provided in this subsection shall lapse.

23 ((+5)) (7) \$21,000 of the health professions account--state
24 appropriation is provided solely for the implementation of Substitute
25 House Bill No. 1304 (health care assistants). If the bill is not
26 enacted by June 30, 2011, the amount provided in this subsection shall
27 lapse.

28 ((+6)) (8) \$54,000 of the health professions account--state
29 appropriation is provided solely for the implementation of House Bill
30 No. 1353 (pharmacy technicians). If the bill is not enacted by June
31 30, 2011, the amount provided in this subsection shall lapse.

32 ((+7)) (9) \$142,000 of the health professions account--state
33 appropriation is provided solely for the implementation of Engrossed
34 Substitute Senate Bill No. 5020 (social workers). If the bill is not
35 enacted by June 30, 2011, the amount provided in this subsection shall
36 lapse.

37 ((+8)) (10) \$336,000 of the health professions account--state
38 appropriation is provided solely for the implementation of Senate Bill

1 No. 5480 (physicians and physician assistants). If the bill is not
2 enacted by June 30, 2011, the amount provided in this subsection shall
3 lapse.

4 ~~((+9))~~ (11) \$46,000 of the health professions account--state
5 appropriation is provided solely for the implementation of Substitute
6 Senate Bill No. 5071 (online access for midwives and marriage and
7 family therapists). If the bill is not enacted by June 30, 2011, the
8 amount provided in this subsection shall lapse.

9 ~~((+10))~~ (12) \$137,000 of the health professions account--state
10 appropriation is provided solely for implementation of Substitute House
11 Bill No. 1133 (massage practitioner license). If the bill is not
12 enacted by June 30, 2011, the amount provided in this subsection shall
13 lapse.

14 ~~((+11))~~ (13) \$85,000 of the general fund--state appropriation for
15 fiscal year 2012 and \$85,000 of the general fund--state appropriation
16 for fiscal year 2013 are provided solely for the developmental
17 disabilities council to contract for a family-to-family mentor program
18 to provide information and support to families and guardians of persons
19 who are transitioning out of residential habilitation centers. To the
20 maximum extent allowable under federal law, these funds shall be
21 matched under medicaid through the department of social and health
22 services and federal funds shall be transferred to the department for
23 the purposes stated in this subsection. If Second Substitute Senate
24 Bill No. 5459 (people with developmental disabilities) is not enacted
25 by June 30, 2011, the amounts provided in this subsection shall lapse.

26 ~~((+12))~~ (14) \$57,000 of the general fund--state appropriation for
27 fiscal year 2012 and \$58,000 of the general fund--state appropriation
28 for fiscal year 2013 are provided solely for the midwifery licensure
29 and regulatory program to offset a reduction in revenue from fees.
30 There shall be no change to the current annual fees for new or renewed
31 licenses for the midwifery program, except from online access to HEAL-
32 WA. The department shall convene the midwifery advisory committee on
33 a quarterly basis to address issues related to licensed midwifery.

34 ~~((+13))~~ (15) \$118,000 of the general fund--state appropriation for
35 fiscal year 2012 and \$118,000 of the general fund--state appropriation
36 for fiscal year 2013 are provided solely for prevention of youth
37 suicides.

1 ~~((14))~~ (16) \$87,000 of the general fund--state appropriation for
2 fiscal year 2012 and \$87,000 of the general fund--state appropriation
3 for fiscal year 2013 are provided solely for the senior falls
4 prevention program.

5 (17) \$95,000 of the general fund--private/local appropriation is
6 provided solely for implementation of Second Substitute House Bill No.
7 2211 (adoptee information access). If the bill is not enacted by June
8 30, 2012, the amount provided in this subsection shall lapse.

9 (18) \$162,000 of the hospital data collection account--state
10 appropriation is provided solely for implementation of Engrossed
11 Substitute House Bill No. 2341 (hospitals/community benefits). If the
12 bill is not enacted by June 30, 2012, the amount provided in this
13 subsection shall lapse.

14 (19) \$30,000 of the health professions account--state appropriation
15 is provided solely for implementation of Engrossed Substitute House
16 Bill No. 2473 (medication assistant endorsement). If the bill is not
17 enacted by June 30, 2012, the amount provided in this subsection shall
18 lapse.

19 **Sec. 220.** 2011 2nd sp.s. c 9 s 219 (uncodified) is amended to read
20 as follows:

21 **FOR THE DEPARTMENT OF CORRECTIONS**

22 The appropriations to the department of corrections in this act
23 shall be expended for the programs and in the amounts specified in this
24 section. However, after May 1, 2012, after approval by the director of
25 financial management and unless specifically prohibited by this act,
26 the department may transfer general fund--state appropriations for
27 fiscal year 2012 between programs. The department shall not transfer
28 funds, and the director of financial management shall not approve the
29 transfer, unless the transfer is consistent with the objective of
30 conserving, to the maximum extent possible, the expenditure of state
31 funds. The director of financial management shall notify the
32 appropriate fiscal committees of the senate and house of
33 representatives in writing seven days prior to approving any deviations
34 from appropriation levels. The written notification shall include a
35 narrative explanation and justification of the changes, along with
36 expenditures and allotments by budget unit and appropriation, both
37 before and after any allotment modifications or transfers.

1	(1) ADMINISTRATION AND SUPPORT SERVICES	
2	General Fund--State Appropriation (FY 2012)	((\$54,529,000))
3		<u>\$54,470,000</u>
4	General Fund--State Appropriation (FY 2013)	((\$53,210,000))
5		<u>\$53,183,000</u>
6	TOTAL APPROPRIATION	((\$107,739,000))
7		<u>\$107,653,000</u>

8 The appropriations in this subsection are subject to the following
9 conditions and limitations: \$35,000 of the general fund--state
10 appropriation for fiscal year 2012 and \$35,000 of the general fund--
11 state appropriation for fiscal year 2013 are provided solely for the
12 support of a statewide council on mentally ill offenders that includes
13 as its members representatives of community-based mental health
14 treatment programs, current or former judicial officers, and directors
15 and commanders of city and county jails and state prison facilities.
16 The council will investigate and promote cost-effective approaches to
17 meeting the long-term needs of adults and juveniles with mental
18 disorders who have a history of offending or who are at-risk of
19 offending, including their mental health, physiological, housing,
20 employment, and job training needs.

21	(2) CORRECTIONAL OPERATIONS	
22	General Fund--State Appropriation (FY 2012)	((\$609,105,000))
23		<u>\$600,294,000</u>
24	General Fund--State Appropriation (FY 2013)	((\$602,804,000))
25		<u>\$580,848,000</u>
26	General Fund--Federal Appropriation	\$3,324,000
27	Washington Auto Theft Prevention Authority Account--	
28	State Appropriation	\$14,079,000
29	TOTAL APPROPRIATION	((\$1,229,312,000))
30		<u>\$1,198,545,000</u>

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

33 (a) During the 2011-13 biennium, when contracts are established or
34 renewed for offender pay phone and other telephone services provided to
35 inmates, the department shall select the contractor or contractors
36 primarily based on the following factors: (i) The lowest rate charged
37 to both the inmate and the person paying for the telephone call; and

1 (ii) the lowest commission rates paid to the department, while
2 providing reasonable compensation to cover the costs of the department
3 to provide the telephone services to inmates and provide sufficient
4 revenues for the activities funded from the institutional welfare
5 betterment account.

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

11 (c) \$102,000 of the general fund--state appropriation for fiscal
12 year 2012 and \$102,000 of the general fund--state appropriation for
13 fiscal year 2013 are provided solely to implement House Bill No. 1290
14 (health care employee overtime). If the bill is not enacted by June
15 30, 2011, the amounts provided in this subsection shall lapse.

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

22 (e) The department of corrections shall contract with local and
23 tribal governments for the provision of jail capacity to house
24 offenders. A contract shall not have a cost of incarceration in excess
25 of \$85 per day per offender. A contract shall not have a year-to-year
26 increase in excess of three percent per year. The contracts may
27 include rates for the medical care of offenders which exceed the daily
28 cost of incarceration and the limitation on year-to-year increase,
29 provided that medical payments conform to the department's offender
30 health plan, pharmacy formulary, and all off-site medical expenses are
31 preapproved by department utilization management staff.

32 (f) Pursuant to RCW 43.135.055, the department is authorized to
33 increase fees related to offender health care copayments. To
34 discourage unwarranted use of health care services caused by
35 unnecessary visits to health care providers, offenders shall
36 participate in the costs of their health care services by paying a
37 nominal amount of no less than four dollars per visit, as determined by
38 the secretary. Under the authority granted in RCW 72.01.050(2), the

1 secretary may authorize the superintendent to collect this amount
2 directly from an offender's institution account. All copayments
3 collected from offenders' institution accounts shall be deposited into
4 the general fund.

5 (g) \$311,000 of the general fund--state appropriation for fiscal
6 year 2013 is provided solely for implementation of House Bill No. 2346
7 (correctional officer uniforms). If the bill is not enacted by June
8 30, 2012, the amount provided in this subsection shall lapse.

9 (3) COMMUNITY SUPERVISION

10	General Fund--State Appropriation (FY 2012)	((\$129,635,000))
11		<u>\$128,934,000</u>
12	General Fund--State Appropriation (FY 2013)	((\$128,049,000))
13		<u>\$125,683,000</u>
14	Federal Narcotics Forfeiture Account--Federal	
15	Appropriation	\$372,000
16	Controlled Substances Account--State	
17	Appropriation	\$32,000
18	TOTAL APPROPRIATION	((\$258,088,000))
19		<u>\$255,021,000</u>

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

22 (a) \$875,000 of the general fund--state appropriation for fiscal
23 year 2012 is provided solely to implement Engrossed Substitute House
24 Bill No. 5891 (criminal justice cost savings). If the bill is not
25 enacted by June 30, 2011, the amount provided in this subsection shall
26 lapse.

27 (b) \$648,000 of the general fund--state appropriation for fiscal
28 year 2012 and \$6,362,000 of the general fund--state appropriation for
29 fiscal year 2013 are provided solely to implement an evidence-based
30 risk-needs-responsivity model for community supervision of offenders.

31 (4) CORRECTIONAL INDUSTRIES

32	General Fund--State Appropriation (FY 2012)	\$3,535,000
33	General Fund--State Appropriation (FY 2013)	\$3,458,000
34	TOTAL APPROPRIATION	\$6,993,000

35 The appropriations in this subsection are subject to the following
36 conditions and limitations: \$66,000 of the general fund--state
37 appropriation for fiscal year 2012 is provided solely for transfer to

1 the jail industries board. The board shall use the amounts provided
2 only for administrative expenses, equipment purchases, and technical
3 assistance associated with advising cities and counties in developing,
4 promoting, and implementing consistent, safe, and efficient offender
5 work programs.

6 (5) INTERAGENCY PAYMENTS

7	General Fund--State Appropriation (FY 2012)	\$37,053,000
8	General Fund--State Appropriation (FY 2013)	((\$35,549,000))
9		<u>\$35,550,000</u>
10	TOTAL APPROPRIATION	((\$72,602,000))
11		<u>\$72,603,000</u>

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

14 (a) The state prison institutions may use funds appropriated in
15 this subsection to rent uniforms from correctional industries in
16 accordance with existing legislative mandates. If House Bill No. 2346
17 is enacted by June 30, 2012, this subsection (5)(a) is null and void as
18 of June 30, 2012.

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

23 (c) The department shall reduce payments to the department of
24 information services or its successor by \$213,000 in fiscal year 2012
25 and by \$1,150,000 in fiscal year 2013. The reduction in payment shall
26 be related to the elimination of the offender base tracking system,
27 including moving remaining portions of the offender base tracking
28 system into the offender management network information system.

29 **Sec. 221.** 2011 2nd sp.s. c 9 s 220 (uncodified) is amended to read
30 as follows:

31 **FOR THE DEPARTMENT OF SERVICES FOR THE BLIND**

32	General Fund--State Appropriation (FY 2012)	((\$2,278,000))
33		<u>\$2,164,000</u>
34	General Fund--State Appropriation (FY 2013)	((\$2,264,000))
35		<u>\$2,151,000</u>
36	General Fund--Federal Appropriation	((\$19,082,000))
37		<u>\$19,309,000</u>

1 General Fund--Private/Local Appropriation \$30,000
2 TOTAL APPROPRIATION \$23,654,000

3 **Sec. 222.** 2011 2nd sp.s. c 9 s 221 (uncodified) is amended to read
4 as follows:

5 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

6 General Fund--Federal Appropriation ((~~\$267,301,000~~))
7 \$267,298,000

8 General Fund--Private/Local Appropriation \$33,931,000

9 Unemployment Compensation Administration Account--
10 Federal Appropriation ((~~\$350,622,000~~))
11 \$350,671,000

12 Administrative Contingency Account--State
13 Appropriation \$20,948,000

14 Employment Service Administrative Account--State
15 Appropriation ((~~\$33,721,000~~))
16 \$33,720,000

17 TOTAL APPROPRIATION ((~~\$706,523,000~~))
18 \$706,568,000

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

21 (1) \$39,666,000 of the unemployment compensation administration
22 account--federal appropriation is from amounts made available to the
23 state by section 903 (d), (f), and (g) of the social security act (Reed
24 act). This amount is provided solely for continuing current
25 unemployment insurance functions and department services to employers
26 and job seekers.

27 (2) \$35,584,000 of the unemployment compensation administration
28 account--federal appropriation is from amounts made available to the
29 state by section 903 (d), (f), and (g) of the social security act (Reed
30 act). This amount is provided solely for the replacement of the
31 unemployment insurance tax information system for the employment
32 security department. The employment security department shall support
33 the department of revenue and department of labor and industries to
34 develop a common vision to ensure technological compatibility between
35 the three agencies to facilitate a coordinated business tax system for
36 the future that improves services to business customers. The amounts
37 provided in this subsection are conditioned on the department

1 satisfying the requirements of the project management oversight
2 standards and policies established by the office of the chief
3 information officer created in Engrossed Substitute Senate Bill No.
4 5931 (information technology management).

5 (3) \$25,000 of the unemployment compensation administration
6 account--federal appropriation is from amounts made available to the
7 state by section 903 (d), (f), and (g) of the social security act (Reed
8 act). This amount is provided solely for implementation of system
9 changes to the unemployment insurance tax information system required
10 under chapter 4, Laws of 2011 (unemployment insurance program).

11 (4) \$1,459,000 of the unemployment compensation administration
12 account--federal appropriation is from amounts available to the state
13 by section 903 (d), (f), and (g) of the social security act (Reed act).
14 This amount is provided solely for implementation of chapter 4, Laws of
15 2011 (unemployment insurance program).

16 (5) (~~(\$60,000)~~) \$80,000 of the unemployment compensation
17 administration account--federal appropriation is provided solely for
18 costs associated with the initial review and evaluation of the training
19 benefits program as directed in section 15(2), chapter 4, Laws of 2011
20 (unemployment insurance program). The initial review shall be
21 developed by the joint legislative audit and review committee. This
22 appropriation is provided from funds made available to the state by
23 section 903 (d), (f), and (g) of the social security act (Reed act).

24 (6) \$53,000 of the unemployment compensation administration
25 account--federal appropriation is provided solely for implementation of
26 system changes to the unemployment insurance tax information system for
27 House Bill No. 2339 (unemployment insurance). This appropriation is
28 provided from funds made available to the state by section 903(c), (d),
29 (f) and (g) of the Social Security Act (REED Act). If the bill is not
30 enacted by June 30, 2012, the amount provided in this subsection shall
31 lapse.

(End of part)

PART III
NATURAL RESOURCES

Sec. 301. 2011 2nd sp.s. c 9 s 301 (uncodified) is amended to read as follows:

FOR THE COLUMBIA RIVER GORGE COMMISSION

General Fund--State Appropriation (FY 2012)	(\$402,000)
	<u>\$384,000</u>
General Fund--State Appropriation (FY 2013)	(\$410,000)
	<u>\$392,000</u>
General Fund--Federal Appropriation	\$31,000
General Fund--Private/Local Appropriation	(\$782,000)
	<u>\$746,000</u>
TOTAL APPROPRIATION	(\$1,625,000)
	<u>\$1,553,000</u>

Sec. 302. 2011 2nd sp.s. c 9 s 302 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2012)	(\$47,630,000)
	<u>\$43,743,000</u>
General Fund--State Appropriation (FY 2013)	(\$46,226,000)
	<u>\$37,433,000</u>
General Fund--Federal Appropriation	(\$77,452,000)
	<u>\$100,342,000</u>
General Fund--Private/Local Appropriation	(\$16,691,000)
	<u>\$16,731,000</u>
Special Grass Seed Burning Research Account--State	
Appropriation	\$3,000
Reclamation Revolving Account--State Appropriation	\$3,642,000
Flood Control Assistance Account--State Appropriation	\$1,940,000
State Emergency Water Projects Revolving Account--State	
Appropriation	\$270,000
Waste Reduction/Recycling/Litter Control--State	
Appropriation	\$11,478,000
State Drought Preparedness Account--State	
Appropriation	(\$118,000)

1		<u>\$204,000</u>
2	State and Local Improvements Revolving Account	
3	(Water Supply Facilities)--State Appropriation	\$423,000
4	((Freshwater)) Aquatic Algae Control Account--State	
5	Appropriation	\$509,000
6	Water Rights Tracking System Account--State Appropriation . . .	\$46,000
7	Site Closure Account--State Appropriation	(\$703,000)
8		<u>\$624,000</u>
9	Wood Stove Education and Enforcement Account--State	
10	Appropriation	(\$612,000)
11		<u>\$596,000</u>
12	Worker and Community Right-to-Know Account--State	
13	Appropriation	\$1,668,000
14	Water Rights Processing Account--State Appropriation . . .	(\$136,000)
15		<u>\$135,000</u>
16	State Toxics Control Account--State Appropriation . .	(\$112,575,000)
17		<u>\$113,548,000</u>
18	State Toxics Control Account--Private/Local	
19	Appropriation	\$968,000
20	Local Toxics Control Account--State Appropriation . . .	(\$27,390,000)
21		<u>\$26,234,000</u>
22	Water Quality Permit Account--State Appropriation . . .	(\$37,748,000)
23		<u>\$39,205,000</u>
24	Underground Storage Tank Account--State	
25	Appropriation	\$3,254,000
26	Biosolids Permit Account--State Appropriation	\$1,805,000
27	Hazardous Waste Assistance Account--State	
28	Appropriation	\$5,857,000
29	Air Pollution Control Account--State Appropriation . . .	(\$2,468,000)
30		<u>\$2,554,000</u>
31	Oil Spill Prevention Account--State Appropriation . . .	(\$5,566,000)
32		<u>\$7,066,000</u>
33	Air Operating Permit Account--State Appropriation . . .	(\$2,746,000)
34		<u>\$2,744,000</u>
35	Freshwater Aquatic Weeds Account--State Appropriation . . .	\$1,700,000
36	Oil Spill Response Account--State Appropriation	\$7,076,000
37	Metals Mining Account--State Appropriation	\$14,000
38	Water Pollution Control Revolving Account--State	

1	Appropriation	\$611,000
2	Water Pollution Control Revolving Account--Federal	
3	Appropriation	\$2,517,000
4	TOTAL APPROPRIATION	(\$421,842,000)
5		<u>\$434,940,000</u>

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

8 (1) \$170,000 of the oil spill prevention account--state
9 appropriation is provided solely for a contract with the University of
10 Washington's sea grant program to continue an educational program
11 targeted to small spills from commercial fishing vessels, ferries,
12 cruise ships, ports, and marinas.

13 (2) Pursuant to RCW 43.135.055, the department is authorized to
14 increase the following fees as necessary to meet the actual costs of
15 conducting business and the appropriation levels in this section:
16 Wastewater discharge permit, not more than 4.34 percent in fiscal year
17 2012 and 4.62 percent in fiscal year 2013; biosolids permit fee, not
18 more than 10 percent during the biennium; and air contaminate source
19 registration fee, not more than 36 percent during the biennium;
20 agricultural burning acreage and pile burning fees, not more than 25
21 percent and 100 percent respectively, in fiscal year 2013; and dam
22 safety and inspection fees, not more than 35 percent in fiscal year
23 2012 and 4.62 percent in fiscal year 2013. Any fee increase
24 implemented to offset general fund--state reductions in the 2011-2013
25 fiscal biennium may be made effective on or before July 1, 2012.

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

31 (4) \$463,000 of the state toxics control account--state
32 appropriation is provided solely for implementation of Engrossed Second
33 Substitute House Bill No. 1186 (state's oil spill program). If the
34 bill is not enacted by June 30, 2011, the amount provided in this
35 subsection shall lapse.

36 (5) The department may not spend waste reduction, recycling, and
37 litter control account funds to support the following activities: The
38 beyond waste plan, work on national solid waste recycling issues, work

1 on construction and demolition recycling and green building
2 alternatives, education programs including the green schools
3 initiative, and management of the 1-800-recycle hotline and database on
4 school awards. Waste reduction, recycling, and litter account control
5 funds must be prioritized to support litter pickup using correctional
6 crews, regulatory programs, and technical assistance to local
7 governments.

8 (6) The department shall make every possible effort through its
9 existing statutory authorities to obtain federal funding for public
10 participation grants regarding the Hanford nuclear reservation and
11 associated properties and facilities. Such federal funding shall not
12 limit the total state funding authorized under this section for public
13 participation grants made pursuant to RCW 70.105D.070(5), but the
14 amount of any individual grant from such federal funding shall be
15 offset against any grant award amount to an individual grantee from
16 state funds under RCW 70.105D.070(5).

17 (7) The department shall review its water rights application review
18 procedures to simplify the procedures, eliminate unnecessary steps, and
19 decrease the time required to issue decisions. The department shall
20 implement changes to improve water rights processing for which it has
21 current administrative authority. The department shall report on
22 reforms implemented and efficiencies achieved as demonstrated through
23 enhanced permit processing to the appropriate committees of the
24 legislature on December 1, 2011, and October 1, 2012.

25 (a) The department shall consult with key stakeholders on statutory
26 barriers to efficient water rights processing and effective water
27 management, including identification of obsolete, confusing, or
28 conflicting statutory provisions. The department shall report
29 stakeholder recommendations to appropriate committees of the
30 legislature by December 1, 2011, and October 1, 2012.

31 (b) \$500,000 of the general fund--state appropriation for fiscal
32 year 2013 is provided solely for processing water right permit
33 applications only if the department of ecology issues at least five
34 hundred water right decisions in fiscal year 2012, and if the
35 department of ecology does not issue at least five hundred water right
36 decisions in fiscal year 2012 the amount provided in this subsection
37 shall lapse and remain unexpended. The department of ecology shall

1 submit a report to the office of financial management and the state
2 treasurer by June 30, 2012, that documents whether five hundred water
3 right decisions were issued in fiscal year 2012.

4 (c) The department shall maintain an ongoing accounting of water
5 right applications received and acted on and shall post that
6 information to the department's internet site.

7 (8) \$1,075,000 of the general fund--state appropriation for fiscal
8 year 2012 and \$1,075,000 of the general fund--state appropriation for
9 fiscal year 2013 are provided solely for processing the backlog of
10 pending water rights permit applications in the water resources
11 program.

12 (9) \$180,000 of the general fund--state appropriation for fiscal
13 year 2013 is provided solely for implementation of Engrossed Second
14 Substitute House Bill No. 2253 (SEPA). If the bill is not enacted by
15 June 30, 2012, the amount provided in this subsection shall lapse.

16 (10) In accordance with RCW 43.135.055, the department is approved
17 to adopt fees set forth in and previously authorized by the following
18 statutes:

- 19 (a) RCW 70.275.120, mercury light generation fee; and
- 20 (b) RCW 70.94.151, gasoline vapor registration fee and greenhouse
21 gas emission reporting fee.

22 (11) The appropriations in this section for the low-level
23 radioactive waste site use permit program are for fiscal year 2012.
24 Appropriations for fiscal year 2013 are contained in section 219 of
25 this act.

26 **Sec. 303.** 2011 2nd sp.s. c 9 s 303 (uncodified) is amended to read
27 as follows:

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

29	General Fund--State Appropriation (FY 2012)	\$8,955,000
30	General Fund--State Appropriation (FY 2013)	\$8,379,000
31	General Fund--Federal Appropriation	\$5,905,000
32	Winter Recreation Program Account--State Appropriation . . .	\$1,761,000
33	ORV and Nonhighway Vehicle Account--State Appropriation . . .	\$224,000
34	Snowmobile Account--State Appropriation	\$4,848,000
35	Aquatic Lands Enhancement Account--State Appropriation	\$363,000
36	Parks Renewal and Stewardship Account--State	
37	Appropriation	((\$116,087,000))

1		<u>\$108,441,000</u>
2	Parks Renewal and Stewardship Account--Private/Local	
3	Appropriation	\$300,000
4	TOTAL APPROPRIATION	(\$146,822,000)
5		<u>\$139,176,000</u>

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

8 (1) \$8,876,000 of the general fund--state appropriation for fiscal
9 year 2012 and \$8,300,000 of the general fund--state appropriation for
10 fiscal year 2013 are provided solely to operate and maintain state
11 parks as the commission implements a new fee structure. The goal of
12 this structure is to make the parks system self-supporting. By August
13 1, 2012, state parks must submit a report to the office of financial
14 management detailing its progress toward this goal and outlining any
15 additional statutory changes needed for successful implementation.

16 (2) \$79,000 of the general fund--state appropriation for fiscal
17 year 2012 and \$79,000 of the general fund--state appropriation for
18 fiscal year 2013 are provided solely for a grant for the operation of
19 the Northwest avalanche center.

20 (3) \$53,928,000 of the parks renewal and stewardship account--state
21 appropriation is provided solely for implementation of Second
22 Substitute Senate Bill No. 5622 (state land recreation access). If the
23 bill is not enacted by June 30, 2011, the amount provided in this
24 subsection shall lapse.

25 (4) Prior to closing any state park, the commission must notify all
26 affected local governments and relevant nonprofit organizations of the
27 intended closure and provide an opportunity for the notified local
28 governments and nonprofit organizations to elect to acquire, or enter
29 into, a maintenance and operating contract with the commission that
30 would allow the park to remain open.

31 **Sec. 304.** 2011 2nd sp.s. c 9 s 304 (uncodified) is amended to read
32 as follows:

33	FOR THE RECREATION AND CONSERVATION FUNDING BOARD	
34	General Fund--State Appropriation (FY 2012)	(\$954,000)
35		<u>\$761,000</u>
36	General Fund--State Appropriation (FY 2013)	(\$973,000)
37		<u>\$604,000</u>

1	General Fund--Federal Appropriation	\$3,299,000
2	General Fund--Private/Local Appropriation	(((\$274,000))
3		<u>\$24,000</u>
4	Aquatic Lands Enhancement Account--State Appropriation	\$278,000
5	Vessel Response Account--State Appropriation	\$100,000
6	Firearms Range Account--State Appropriation	\$37,000
7	Recreation Resources Account--State Appropriation	(((\$2,874,000))
8		<u>\$2,914,000</u>
9	NOVA Program Account--State Appropriation	\$900,000
10	TOTAL APPROPRIATION	(((\$9,689,000))
11		<u>\$8,917,000</u>

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

20 **Sec. 305.** 2011 2nd sp.s. c 9 s 305 (uncodified) is amended to read
21 as follows:

22 **FOR THE ENVIRONMENTAL AND LAND USE HEARINGS OFFICE**

23	General Fund--State Appropriation (FY 2012)	(((\$2,308,000))
24		<u>\$2,209,000</u>
25	General Fund--State Appropriation (FY 2013)	(((\$2,275,000))
26		<u>\$2,147,000</u>
27	TOTAL APPROPRIATION	(((\$4,583,000))
28		<u>\$4,356,000</u>

29 **Sec. 306.** 2011 2nd sp.s. c 9 s 306 (uncodified) is amended to read
30 as follows:

31 **FOR THE CONSERVATION COMMISSION**

32	General Fund--State Appropriation (FY 2012)	(((\$6,789,000))
33		<u>\$6,449,000</u>
34	((General Fund--State Appropriation (FY 2013)	(\$6,792,000))
35	General Fund--Federal Appropriation	(((\$1,301,000))
36		<u>\$651,000</u>

1 TOTAL APPROPRIATION ((~~\$14,882,000~~))
2 \$7,100,000

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

5 (1) The conservation commission, in cooperation with all
6 conservation districts, will seek to minimize conservation district
7 overhead costs. These efforts may include consolidating conservation
8 districts.

9 (2) \$122,000 of the general fund--federal appropriation is provided
10 solely for Engrossed Substitute House Bill No. 1886 (Ruckelshaus center
11 process). If the bill is not enacted by June 30, 2011, the amount
12 provided in this subsection shall lapse.

13 **Sec. 307.** 2011 2nd sp.s. c 9 s 307 (uncodified) is amended to read
14 as follows:

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

16	General Fund--State Appropriation (FY 2012)	((\$34,695,000))
17		<u>\$29,908,000</u>
18	General Fund--State Appropriation (FY 2013)	((\$32,388,000))
19		<u>\$26,314,000</u>
20	General Fund--Federal Appropriation	\$105,717,000
21	General Fund--Private/Local Appropriation	\$57,025,000
22	ORV and Nonhighway Vehicle Account--State Appropriation . . .	\$391,000
23	Aquatic Lands Enhancement Account--State	
24	Appropriation	((\$8,230,000))
25		<u>\$13,069,000</u>
26	Recreational Fisheries Enhancement--State	
27	Appropriation	((\$3,550,000))
28		<u>\$2,800,000</u>
29	Warm Water Game Fish Account--State Appropriation . . .	((\$3,051,000))
30		<u>\$2,851,000</u>
31	Eastern Washington Pheasant Enhancement Account--State	
32	Appropriation	\$849,000
33	Aquatic Invasive Species Enforcement Account--State	
34	Appropriation	\$204,000
35	Aquatic Invasive Species Prevention Account--State	
36	Appropriation	\$719,000
37	State Wildlife Account--State Appropriation	((\$100,424,000))

1		<u>\$102,560,000</u>
2	Special Wildlife Account--State Appropriation	\$2,384,000
3	Special Wildlife Account--Federal Appropriation	\$500,000
4	Special Wildlife Account--Private/Local Appropriation	\$3,415,000
5	Wildlife Rehabilitation Account--State Appropriation	\$259,000
6	Regional Fisheries Enhancement Salmonid Recovery	
7	Account--Federal Appropriation	\$5,001,000
8	Oil Spill Prevention Account--State Appropriation	\$887,000
9	Oyster Reserve Land Account--State Appropriation	\$921,000
10	<u>Hydraulic Project Approval Account--State Appropriation</u>	<u>\$750,000</u>
11	TOTAL APPROPRIATION	((\$360,610,000))
12		<u>\$356,524,000</u>

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

15 (1) \$294,000 of the aquatic lands enhancement account--state
16 appropriation is provided solely for the implementation of hatchery
17 reform recommendations defined by the hatchery scientific review group.

18 (2) \$355,000 of the general fund--state appropriation for fiscal
19 year 2012 and \$355,000 of the general fund--state appropriation for
20 fiscal year 2013 are provided solely for the department to continue a
21 pilot project with the Confederated Tribes of the Colville Reservation
22 to develop expanded recreational fishing opportunities on Lake Rufus
23 Woods and its northern shoreline and to conduct joint enforcement of
24 lake fisheries on Lake Rufus Woods and adjoining waters, pursuant to
25 state and tribal intergovernmental agreements developed under the
26 Columbia River water supply program. For the purposes of the pilot
27 project:

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

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

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

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

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

6 (3) Prior to submitting its 2013-2015 biennial operating and
7 capital budget request related to state fish hatcheries to the office
8 of financial management, the department shall contract with the
9 hatchery scientific review group (HSRG) to review this request. This
10 review shall: (a) Determine if the proposed requests are consistent
11 with HSRG recommendations; (b) prioritize the components of the
12 requests based on their contributions to protecting wild salmonid
13 stocks and meeting the recommendations of the HSRG; and (c) evaluate
14 whether the proposed requests are being made in the most cost effective
15 manner. The department shall provide a copy of the HSRG review to the
16 office of financial management with their agency budget proposal.

17 (4) \$400,000 of the general fund--state appropriation for fiscal
18 year 2012 and \$400,000 of the general fund--state appropriation for
19 fiscal year 2013 are provided solely for a state match to support the
20 Puget Sound nearshore partnership between the department and the U.S.
21 army corps of engineers.

22 (5) \$50,000 of the general fund--state appropriation for fiscal
23 year 2012 and \$50,000 of the general fund--state appropriation for
24 fiscal year 2013 are provided solely for removal of derelict gear in
25 Washington waters.

26 (6) \$100,000 of the eastern Washington pheasant enhancement
27 account--state appropriation is provided solely for the department to
28 support efforts to enhance permanent and temporary pheasant habitat on
29 public and private lands in Grant, Franklin, and Adams counties. The
30 department may support efforts by entities including conservation
31 districts, nonprofit organizations, and landowners, and must require
32 such entities to provide significant nonstate matching resources, which
33 may be in the form of funds, material, or labor.

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

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

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

10 (10) \$18,514,000 of the state wildlife account--state appropriation
11 is provided solely for the implementation of Second Substitute Senate
12 Bill No. 5385 (state wildlife account). If the bill is not enacted by
13 June 30, 2011, the amount provided in this subsection shall lapse.

14 (11) (~~(\$9,418,000)~~) \$8,522,000 of the state wildlife account--state
15 appropriation is provided solely for the implementation of Second
16 Substitute Senate Bill No. 5622 (state land recreation access). If the
17 bill is not enacted by June 30, 2011, the amount provided in this
18 subsection shall lapse.

19 (12) \$14,000 of the general fund--state appropriation for fiscal
20 year 2013 is provided solely for implementation of Engrossed Second
21 Substitute House Bill No. 2253 (SEPA). If the bill is not enacted by
22 June 30, 2012, the amount provided in this subsection shall lapse.

23 **Sec. 308.** 2011 2nd sp.s. c 9 s 308 (uncodified) is amended to read
24 as follows:

25 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

26	General Fund--State Appropriation (FY 2012)	((\$31,324,000))
27		<u>\$31,079,000</u>
28	General Fund--State Appropriation (FY 2013)	((\$35,791,000))
29		<u>\$31,914,000</u>
30	General Fund--Federal Appropriation	\$27,919,000
31	General Fund--Private/Local Appropriation	\$2,374,000
32	Forest Development Account--State Appropriation	((\$41,717,000))
33		<u>\$46,640,000</u>
34	ORV and Nonhighway Vehicle Account--State Appropriation . .	\$4,387,000
35	Surveys and Maps Account--State Appropriation	((\$2,346,000))
36		<u>\$2,124,000</u>
37	Aquatic Lands Enhancement Account--State	

1	Appropriation	((\$7,224,000))
2		<u>\$2,907,000</u>
3	Resources Management Cost Account--State	
4	Appropriation	((\$82,097,000))
5		<u>\$87,994,000</u>
6	Surface Mining Reclamation Account--State	
7	Appropriation	\$3,484,000
8	Disaster Response Account--State Appropriation	\$5,000,000
9	Forest and Fish Support Account--State Appropriation	((\$7,933,000))
10		<u>\$9,484,000</u>
11	Aquatic Land Dredged Material Disposal Site	
12	Account--State Appropriation	\$838,000
13	Natural Resources Conservation Areas Stewardship	
14	Account--State Appropriation	\$34,000
15	State Toxics Control Account--State Appropriation	\$80,000
16	Air Pollution Control Account--State Appropriation	((\$669,000))
17		<u>\$540,000</u>
18	NOVA Program Account--State Appropriation	\$639,000
19	Derelict Vessel Removal Account--State Appropriation	\$1,761,000
20	Agricultural College Trust Management Account--State	
21	Appropriation	\$1,854,000
22	<u>Forest Practices Application Account--State</u>	
23	<u>Appropriation</u>	<u>\$1,500,000</u>
24	TOTAL APPROPRIATION	((\$257,471,000))
25		<u>\$262,552,000</u>

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

28 (1) \$710,000 of the general fund--state appropriation for fiscal
29 year 2012 and \$915,000 of the general fund--state appropriation for
30 fiscal year 2013 are provided solely for deposit into the agricultural
31 college trust management account and are provided solely to manage
32 approximately 70,700 acres of Washington State University's
33 agricultural college trust lands.

34 (2) \$8,030,000 of the general fund--state appropriation for fiscal
35 year 2012, ((~~\$10,037,000~~)) \$7,899,000 of the general fund--state
36 appropriation for fiscal year 2013, \$2,138,000 of the forest
37 development account--state appropriation for fiscal year 2013, and
38 \$5,000,000 of the disaster response account--state appropriation are

1 provided solely for emergency fire suppression. None of the general
2 fund and disaster response account amounts provided in this subsection
3 may be used to fund agency indirect and administrative expenses.
4 Agency indirect and administrative costs shall be allocated among the
5 agency's remaining accounts and appropriations. The department of
6 natural resources shall submit a quarterly report to the office of
7 financial management and the legislative fiscal committees detailing
8 information on current and planned expenditures from the disaster
9 response account. This work shall be done in coordination with the
10 military department.

11 ~~(3) ((\$4,000,000 of the forest and fish support account--state~~
12 ~~appropriation is provided solely for adaptive management, monitoring,~~
13 ~~and participation grants to tribes. If federal funding for this~~
14 ~~purpose is reinstated, the amount provided in this subsection shall~~
15 ~~lapse.~~

16 ~~(4) \$333,000 of the forest and fish support account--state~~
17 ~~appropriation is provided solely for adaptive management, monitoring,~~
18 ~~and participation grants to nongovernmental organizations.~~

19 ~~(5) \$487,000))~~ \$4,250,000 of the forest and fish support account--
20 state appropriation is provided solely for outcome-based, performance
21 contracts with tribes to participate in the implementation of the
22 forest practices program. Contracts awarded in fiscal year 2013 may
23 only contain indirect costs set at or below the rate in the contracting
24 tribe's indirect cost agreement with the federal government. If
25 federal funding for this purpose is reinstated, the amount provided in
26 this subsection shall lapse.

27 (4) \$468,000 of the forest and fish support account--state
28 appropriation is provided solely for outcome-based performance
29 contracts with nongovernmental organizations to participate in the
30 implementation of the forest practices program. Contracts awarded in
31 fiscal year 2013 may only contain indirect cost set at or below a rate
32 of eighteen percent.

33 (5) \$717,000 of the ((general fund)) forest and fish support
34 account--state appropriation is provided solely to fund interagency
35 agreements with the department of ecology and the department of fish
36 and wildlife as part of the adaptive management process.

37 (6) \$1,000,000 of the general fund--federal appropriation and
38 \$1,000,000 of the forest and fish support account--state appropriation

1 are provided solely for continuing scientific studies already underway
2 as part of the adaptive management process. Funds may not be used to
3 initiate new studies unless the department secures new federal funding
4 for the adaptive management process.

5 (7) The department is authorized to increase the silviculture
6 burning permit fee in the 2011-2013 biennium by up to eighty dollars
7 plus fifty cents per ton for each ton of material burned in excess of
8 one hundred tons.

9 (8) \$440,000 of the state general fund--state appropriation for
10 fiscal year 2012 and \$440,000 of the state general fund--state
11 appropriation for fiscal year 2013 are provided solely for forest work
12 crews that support correctional camps and are contingent upon
13 continuing operations of Naselle youth camp.

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

19 (10) \$250,000 of the general fund--state appropriation for fiscal
20 year 2013 is provided solely for the natural heritage program within
21 the department of natural resources.

22 (11) In partnership with the department of ecology, the department
23 shall deliver a report to the governor, the appropriate committees of
24 the legislature, and the forest practices board by September 1, 2012,
25 documenting: (a) Forest practices adaptive management program reforms
26 implemented, or recommended, that streamline existing processes to
27 increase program efficiencies and effectiveness; (b) the short and long
28 term funding necessary to support the forest practices habitat
29 conservation plan and clean water act assurances; and (c)
30 recommendations for funding those needs. The departments shall
31 collaborate with interested adaptive management program participants in
32 the development and implementation of the reforms, funding needs, and
33 recommendations.

34 **Sec. 309.** 2011 2nd sp.s. c 9 s 309 (uncodified) is amended to read
35 as follows:

36 **FOR THE DEPARTMENT OF AGRICULTURE**

37 General Fund--State Appropriation (FY 2012) ((\$15,484,000))

1		<u>\$14,698,000</u>
2	General Fund--State Appropriation (FY 2013)	(((\$14,875,000))
3		<u>\$13,995,000</u>
4	General Fund--Federal Appropriation	(((\$22,940,000))
5		<u>\$23,674,000</u>
6	General Fund--Private/Local Appropriation	\$190,000
7	Aquatic Lands Enhancement Account--State	
8	Appropriation	\$2,553,000
9	State Toxics Control Account--State Appropriation	\$5,118,000
10	Water Quality Permit Account--State Appropriation	\$60,000
11	Freshwater Aquatic Weeds Account--State Appropriation	\$280,000
12	<u>Waste Tire Removal Account--State Appropriation</u>	<u>\$970,000</u>
13	TOTAL APPROPRIATION	(((\$61,500,000))
14		<u>\$61,538,000</u>

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

17 (1) \$5,308,445 of the general fund--state appropriation for fiscal
18 year 2012 and \$5,302,905 of the general fund--state appropriation for
19 fiscal year 2013 are provided solely for implementing the food
20 assistance program as defined in RCW 43.23.290.

21 (2) Pursuant to RCW 43.135.055, the department is authorized to
22 increase the following fees in the 2011-2013 fiscal biennium as
23 necessary to meet the actual costs of conducting business: Fruit and
24 vegetable platform inspections; grain program services; warehouse
25 audits; requested inspections; seed inspections, testing, sampling and
26 certifications; phytosanitary certifications for seed; commission
27 merchants; and sod quality seed tags and tagging. In addition,
28 pursuant to RCW 43.135.055, 17.21.134, and 15.58.240, the department is
29 authorized to establish pesticide license examination fees.

30 **Sec. 310.** 2011 2nd sp.s. c 9 s 310 (uncodified) is amended to read
31 as follows:

32 **FOR THE WASHINGTON POLLUTION LIABILITY INSURANCE PROGRAM**

33 Pollution Liability Insurance Program Trust

34 Account--State Appropriation \$668,000

35 **Sec. 311.** 2011 2nd sp.s. c 9 s 311 (uncodified) is amended to read
36 as follows:

1	FOR THE PUGET SOUND PARTNERSHIP	
2	General Fund--State Appropriation (FY 2012)	((\$2,399,000))
3		<u>\$1,996,000</u>
4	General Fund--State Appropriation (FY 2013)	((\$2,424,000))
5		<u>\$1,483,000</u>
6	General Fund--Federal Appropriation	((\$9,581,000))
7		<u>\$11,795,000</u>
8	General Fund--Private/Local Appropriation	((\$25,000))
9		<u>\$17,000</u>
10	Aquatic Lands Enhancement Account--State	
11	Appropriation	((\$493,000))
12		<u>\$408,000</u>
13	State Toxics Control Account--State Appropriation	\$665,000
14	TOTAL APPROPRIATION	((\$15,587,000))
15		<u>\$16,364,000</u>

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

18 (1) \$665,000 of the state toxics control account-- state
19 appropriation is provided solely for activities that contribute to
20 Puget Sound protection and recovery, including provision of independent
21 advice and assessment of the state's oil spill prevention,
22 preparedness, and response programs, including review of existing
23 activities and recommendations for any necessary improvements. The
24 partnership may carry out this function through an existing committee,
25 such as the ecosystem coordination board or the leadership council, or
26 may appoint a special advisory council. Because this is a unique
27 statewide program, the partnership may invite participation from
28 outside the Puget Sound region.

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

(End of part)

PART IV
TRANSPORTATION

Sec. 401. 2011 2nd sp.s. c 9 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

General Fund--State Appropriation (FY 2012)	\$1,167,000
General Fund--State Appropriation (FY 2013)	\$1,307,000
Architects' License Account--State Appropriation	\$1,084,000
Professional Engineers' Account--State Appropriation	(\$3,518,000)
	<u>\$3,539,000</u>
Real Estate Commission Account--State Appropriation	\$9,833,000
Uniform Commercial Code Account--State Appropriation	\$3,120,000
Real Estate Education Account--State Appropriation	\$276,000
Real Estate Appraiser Commission Account--State Appropriation	\$1,687,000
Business and Professions Account--State Appropriation	(\$15,592,000)
	<u>\$15,817,000</u>
Real Estate Research Account--State Appropriation	\$622,000
Geologists' Account--State Appropriation	\$51,000
Derelict Vessel Removal Account--State Appropriation	\$31,000
TOTAL APPROPRIATION	(\$38,288,000)
	<u>\$38,534,000</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 collection agencies. This increase is necessary to support the expenditures authorized in this section, consistent with RCW 43.24.086.

(2) \$8,000 of the business and professions account--state appropriation is provided solely to implement Substitute Senate Bill No. 5574 (collection agencies).

(3) \$150,000 of the business and professions account--state

1 appropriation is provided solely to implement Substitute House Bill No.
2 2301 (boxing, martial arts, and wrestling). If the bill is not enacted
3 by June 30, 2012, the amount provided in this subsection shall lapse.

4 (4) \$57,401 of the business and professions account--state
5 appropriation is provided solely to implement Engrossed Substitute
6 House Bill No. 1256 (body art, body piercing, and tattooing). Pursuant
7 to RCW 43.24.086 and 43.135.055, the department is authorized to charge
8 fees for quest artist licenses authorized in Engrossed Substitute House
9 Bill No. 1256 (body art, body piercing, and tattooing). If the bill is
10 not enacted by June 30, 2012, the fee authorization and amount provided
11 in this subsection shall lapse.

12 (5) \$17,898 of the business and professions account--state
13 appropriation is provided solely to implement Substitute House Bill No.
14 2668 (addressing bail practices). Pursuant to RCW 43.135.055 and
15 43.24.086, the department is authorized to set fees for bail bond and
16 bail bond agent licensee and endorsement applicants as authorized by
17 Substitute House Bill No. 2668 (addressing bail practices). If the
18 bill is not enacted by June 30, 2012, the fee authorization and amount
19 provided in this subsection shall lapse.

20 (6) \$21,052 of the professional engineers account--state
21 appropriation is provided solely to implement Engrossed House Bill No.
22 1900 (continuing education for engineers). If the bill is not enacted
23 by June 30, 2012, the amount provided in this subsection shall lapse.

24 (7) Pursuant to RCW 43.135.055 and 43.24.086, the department is
25 authorized to increase fees for camping resort companies and
26 salespersons. This increase is necessary to support the expenditures
27 authorized in this section, consistent with RCW 19.105.411.

28 **Sec. 402.** 2011 2nd sp.s. c 9 s 402 (uncodified) is amended to read
29 as follows:

30 **FOR THE STATE PATROL**

31	General Fund--State Appropriation (FY 2012)	((\$37,352,000))
32		<u>\$34,879,000</u>
33	General Fund--State Appropriation (FY 2013)	((\$35,108,000))
34		<u>\$25,703,000</u>
35	General Fund--Federal Appropriation	\$16,081,000
36	General Fund--Private/Local Appropriation	((\$3,021,000))
37		<u>\$10,426,000</u>

1	Death Investigations Account--State Appropriation	\$5,551,000
2	County Criminal Justice Assistance Account--State	
3	Appropriation	((\$3,215,000))
4		<u>\$2,383,000</u>
5	Municipal Criminal Justice Assistance Account--State	
6	Appropriation	((\$1,290,000))
7		<u>\$967,000</u>
8	Fire Service Trust Account--State Appropriation	\$131,000
9	Disaster Response Account--State Appropriation	\$8,002,000
10	Fire Service Training Account--State Appropriation	\$9,394,000
11	Aquatic Invasive Species Enforcement Account--State	
12	Appropriation	\$54,000
13	State Toxics Control Account--State Appropriation	\$505,000
14	Fingerprint Identification Account--State	
15	Appropriation	\$10,090,000
16	Vehicle License Fraud Account--State Appropriation	((\$339,000))
17		<u>\$439,000</u>
18	TOTAL APPROPRIATION	((\$130,133,000))
19		<u>\$124,605,000</u>

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

22 (1) \$200,000 of the fire service training account--state
23 appropriation is provided solely for two FTEs in the office of the
24 state director of fire protection to exclusively review K-12
25 construction documents for fire and life safety in accordance with the
26 state building code. It is the intent of this appropriation to provide
27 these services only to those districts that are located in counties
28 without qualified review capabilities.

29 (2) \$8,000,000 of the disaster response account--state
30 appropriation is provided solely for Washington state fire service
31 resource mobilization costs incurred in response to an emergency or
32 disaster authorized under RCW 43.43.960 and 43.43.964. The state
33 patrol shall submit a report quarterly to the office of financial
34 management and the legislative fiscal committees detailing information
35 on current and planned expenditures from this account. This work shall
36 be done in coordination with the military department.

37 (3) \$400,000 of the fire service training account--state

1 appropriation is provided solely for the firefighter apprenticeship
2 training program.

3 (4) In accordance with RCW 43.43.742 the state patrol is authorized
4 to increase the following fees in fiscal year 2012 as necessary to meet
5 the actual costs of conducting business and the appropriation levels in
6 this section: Notary service fee.

7 (5) \$59,000 of the fingerprint identification account--state
8 appropriation is provided solely for implementation of Engrossed Second
9 Substitute House Bill No. 1776 (child care center licensing). If the
10 bill is not enacted by June 30, 2011, the amount provided in this
11 subsection shall lapse.

12 (6) \$6,000 of the fingerprint identification account--state
13 appropriation is provided solely for implementation of Engrossed
14 Substitute House Bill No. 1494 (vulnerable adult referrals). If the
15 bill is not enacted by June 30, 2011, the amount provided in this
16 subsection shall lapse.

(End of part)

PART V
EDUCATION

Sec. 501. 2011 2nd sp.s. c 9 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

General Fund--State Appropriation (FY 2012)	((\$25,406,000))
	<u>\$25,180,000</u>
General Fund--State Appropriation (FY 2013)	((\$22,502,000))
	<u>\$25,620,000</u>
General Fund--Federal Appropriation	\$77,065,000
General Fund--Private/Local Appropriation	\$4,000,000
TOTAL APPROPRIATION	((\$128,973,000))
	<u>\$131,865,000</u>

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

(1) A maximum of ((~~\$16,139,000~~)) \$15,921,000 of the general fund--state appropriation for fiscal year 2012 and ((~~\$13,335,000~~)) \$15,393,000 of the general fund--state appropriation for fiscal year 2013 is for state agency operations.

(a) \$9,775,000 of the general fund--state appropriation for fiscal year 2012 and \$8,532,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

(i) Within the amounts provided in this subsection (1)(a), the superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award.

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

(iii) Within the amounts provided, and in consultation with the public school employees of Washington and the Washington school counselors' association, the office of the superintendent of public

1 instruction shall develop a model policy that further defines the
2 recommended roles and responsibilities of graduation coaches and
3 identifies best practices for how graduation coaches work in
4 coordination with school counselors and in the context of a
5 comprehensive school guidance and counseling program.

6 (iv) The office of the superintendent of public instruction shall,
7 no later than August 1, 2011, establish a standard statewide definition
8 of unexcused absence. The definition shall be reported to the ways and
9 means committees of the senate and house of representatives for
10 legislative review in the 2012 legislative session. Beginning no later
11 than January 1, 2012, districts shall report to the office of the
12 superintendent of public instruction, daily student unexcused absence
13 data by school.

14 (b) \$1,964,000 of the general fund--state appropriation for fiscal
15 year 2012 and \$1,017,000 of the general fund--state appropriation for
16 fiscal year 2013 are provided solely for activities associated with the
17 implementation of new school finance systems required by chapter 236,
18 Laws of 2010 (K-12 education funding) and chapter 548, Laws of 2009
19 (state's education system), including technical staff, systems
20 reprogramming, and workgroup deliberations, including the quality
21 education council and the data governance working group.

22 (c) \$851,000 of the general fund--state appropriation for fiscal
23 year 2012 and (~~(\$851,000)~~) \$846,000 of the general fund--state
24 appropriation for fiscal year 2013 are provided solely for the
25 operation and expenses of the state board of education, including basic
26 education assistance activities. Of the amounts in this subsection,
27 \$80,000 of the fiscal year 2013 appropriation is for the implementation
28 of House Bill No. 2492 (board of education rules). If the bill is not
29 enacted by June 30, 2012, this amount shall lapse.

30 (d) (~~(\$1,744,000)~~) \$1,526,000 of the general fund--state
31 appropriation for fiscal year 2012 and (~~(\$1,362,000)~~) \$1,225,000 of the
32 general fund--state appropriation for fiscal year 2013 are provided
33 solely to the professional educator standards board for the following:

34 (i) (~~(\$1,050,000)~~) \$1,005,000 in fiscal year 2012 and
35 (~~(\$1,050,000)~~) \$1,005,000 in fiscal year 2013 are for the operation
36 and expenses of the Washington professional educator standards board;
37 and

1 (ii) (~~(\$694,000)~~) \$521,000 of the general fund--state appropriation
2 for fiscal year 2012 and (~~(\$312,000)~~) \$220,000 of the general
3 fund--state appropriation for fiscal year 2013 are for conditional
4 scholarship loans and mentor stipends provided through the alternative
5 routes to certification program administered by the professional
6 educator standards board, including the pipeline for paraeducators
7 program and the retooling to teach conditional loan programs. Funding
8 within this subsection (1)(d)(ii) is also provided for the recruiting
9 Washington teachers program. Funding reductions in this subsection
10 (1)(d)(ii) in the 2011- 2013 fiscal biennium are intended to be one-
11 time.

12 (e) \$133,000 of the general fund--state appropriation for fiscal
13 year 2012 and \$133,000 of the general fund--state appropriation for
14 fiscal year 2013 are provided solely for the implementation of chapter
15 240, Laws of 2010, including staffing the office of equity and civil
16 rights.

17 (f) \$50,000 of the general fund--state appropriation for fiscal
18 year 2012 and (~~(\$50,000)~~) \$45,000 of the general fund--state
19 appropriation for fiscal year 2013 are provided solely for the ongoing
20 work of the education opportunity gap oversight and accountability
21 committee.

22 (g) \$45,000 of the general fund--state appropriation for fiscal
23 year 2012 and \$45,000 of the general fund--state appropriation for
24 fiscal year 2013 are provided solely for the implementation of chapter
25 380, Laws of 2009 (enacting the interstate compact on educational
26 opportunity for military children).

27 (h) \$159,000 of the general fund--state appropriation for fiscal
28 year 2012 and \$93,000 of the general fund--state appropriation for
29 fiscal year 2013 are provided solely for the implementation of chapter
30 185, Laws of 2011 (bullying prevention), which requires the office of
31 the superintendent of public instruction to convene an ongoing
32 workgroup on school bullying and harassment prevention. Within the
33 amounts provided, \$140,000 is for youth suicide prevention activities.

34 (i) \$1,227,000 of the general fund--state appropriation for fiscal
35 year 2012 and \$1,227,000 of the general fund--state appropriation for
36 fiscal year 2013 are provided solely for implementing a comprehensive
37 data system to include financial, student, and educator data, including

1 development and maintenance of the comprehensive education data and
2 research system (CEDARS).

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

9 (k) \$166,000 of the general fund--state appropriation for fiscal
10 year 2012 is provided solely for the implementation of chapter 192,
11 Laws of 2011 (school district insolvency). Funding is provided to
12 develop a clear legal framework and process for dissolution of a school
13 district.

14 (l) \$1,500,000 of the general fund--state appropriation for fiscal
15 year 2013 is provided solely for implementation of legislation relating
16 to community partnership schools. If such legislation is not enacted
17 by June 30, 2012, the amount provided in this subsection shall lapse.

18 (m) \$205,000 of the general fund--state appropriation for fiscal
19 year 2013 is provided solely for implementation of House Bill No. 2170
20 (career pathways). If the bill is not enacted by June 30, 2012, the
21 amount provided in this subsection shall lapse.

22 (n) \$500,000 of the general fund--state appropriation for fiscal
23 year 2013 is provided solely for implementation of House Bill No. 2337
24 (open K-12 education resources). If the bill is not enacted by June
25 30, 2012, the amount provided in this subsection shall lapse.

26 (2) \$9,267,000 of the general fund--state appropriation for fiscal
27 year 2012 and (~~(\$9,167,000)~~) \$10,110,000 of the general fund--state
28 appropriation for fiscal year 2013 are for statewide programs.

29 (a) HEALTH AND SAFETY

30 (i) \$2,541,000 of the general fund--state appropriation for fiscal
31 year 2012 and (~~(\$2,541,000)~~) \$2,287,000 of the general fund--state
32 appropriation for fiscal year 2013 are provided solely for a corps of
33 nurses located at educational service districts, as determined by the
34 superintendent of public instruction, to be dispatched to the most
35 needy schools to provide direct care to students, health education, and
36 training for school staff.

37 (ii) \$50,000 of the general fund--state appropriation for fiscal

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

4 (b) TECHNOLOGY

5 \$1,221,000 of the general fund--state appropriation for fiscal year
6 2012 and (~~(\$1,221,000)~~) \$1,099,000 of the general fund--state
7 appropriation for fiscal year 2013 are provided solely for K-20
8 telecommunications network technical support in the K-12 sector to
9 prevent system failures and avoid interruptions in school utilization
10 of the data processing and video-conferencing capabilities of the
11 network. These funds may be used to purchase engineering and advanced
12 technical support for the network.

13 (c) GRANTS AND ALLOCATIONS

14 (i) \$675,000 of the general fund--state appropriation for fiscal
15 year 2012 and (~~(\$675,000)~~) \$608,000 of the general fund--state
16 appropriation for fiscal year 2013 are provided solely for the
17 Washington state achievers scholarship program. The funds shall be
18 used to support community involvement officers that recruit, train, and
19 match community volunteer mentors with students selected as achievers
20 scholars.

21 (ii) \$1,000,000 of the general fund--state appropriation for fiscal
22 year 2012 and (~~(\$1,000,000)~~) \$900,000 of the general fund--state
23 appropriation for fiscal year 2013 are provided solely for contracting
24 with a college scholarship organization with expertise in conducting
25 outreach to students concerning eligibility for the Washington college
26 bound scholarship consistent with chapter 405, Laws of 2007.

27 (iii) \$2,808,000 of the general fund--state appropriation for
28 fiscal year 2012 and \$2,808,000 of the general fund--state
29 appropriation for fiscal year 2013 are provided solely for the
30 dissemination of the navigation 101 curriculum to all districts. The
31 funding shall support electronic student planning tools and software
32 for analyzing the impact of navigation 101 on student performance, as
33 well as grants to a maximum of one hundred school districts each year,
34 based on progress and need for the implementation of the navigation 101
35 program. The implementation grants shall be awarded to a cross-section
36 of school districts reflecting a balance of geographic and demographic
37 characteristics. Within the amounts provided, the office of the

1 superintendent of public instruction will create a navigation 101
2 accountability model to analyze the impact of the program.

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

8 (v) \$135,000 of the general fund--state appropriation for fiscal
9 year 2012 and (~~(\$135,000)~~) \$122,000 of the general fund--state
10 appropriation for fiscal year 2013 are provided solely for dropout
11 prevention programs at the office of the superintendent of public
12 instruction, including the jobs for America's graduates (JAG) program.

13 (vi) \$500,000 of the general fund--state appropriation for fiscal
14 year 2012 and (~~(\$400,000)~~) \$1,900,000 of the general fund--state
15 appropriation for fiscal year 2013 are provided solely for the
16 implementation of chapter 340, Laws of 2011 (assessment of students in
17 state-funded full-day kindergarten classrooms), including the
18 development and implementation of the Washington kindergarten inventory
19 of developing skills (WaKIDS). Of the amounts in this subsection,
20 \$1,500,000 of the fiscal year 2013 appropriation is for the
21 implementation of House Bill No. 2586 (kindergarten inventory). If the
22 bill is not enacted by June 30, 2012, this amount shall lapse.

23 **Sec. 502.** 2011 2nd sp.s. c 9 s 502 (uncodified) is amended to read
24 as follows:

25	FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL	
26	APPORTIONMENT	
27	General Fund--State Appropriation (FY 2012)	((\$5,253,769,000))
28		<u>\$5,240,761,000</u>
29	General Fund--State Appropriation (FY 2013)	((\$5,205,868,000))
30		<u>\$4,829,267,000</u>
31	General Fund--Federal Appropriation	\$22,078,000
32	TOTAL APPROPRIATION	((\$10,481,715,000))
33		<u>\$10,092,106,000</u>

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

36 (1)(a) Each general fund fiscal year appropriation includes such

1 funds as are necessary to complete the school year ending in the fiscal
2 year and for prior fiscal year adjustments.

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

7 (c) From July 1, 2011 to August 31, 2011, the superintendent shall
8 allocate general apportionment funding to school districts programs as
9 provided in sections 502 and 504, chapter 564, Laws of 2009, as amended
10 through sections 1402 and 1403 of this act.

11 (d) The appropriations in this section include federal funds
12 provided through section 101 of P.L. No. 111-226 (education jobs fund),
13 which shall be used to support general apportionment program funding.
14 In distributing general apportionment allocations under this section
15 for the 2011-12 school year, the superintendent shall include the
16 additional amount of \$3,078,000 allocated by the United States
17 department of education on September 16, 2011, provided through 101 of
18 P.L. No. 111-226 (education jobs fund) as part of each district's
19 general apportionment allocation.

20 (e) The enrollment of any district shall be the annual average
21 number of full-time equivalent students and part-time students as
22 provided in RCW 28A.150.350, enrolled on the fourth day of school in
23 September and on the first school day of each month October through
24 June, including students who are in attendance pursuant to RCW
25 28A.335.160 and 28A.225.250 who do not reside within the servicing
26 school district. Any school district concluding its basic education
27 program in May must report the enrollment of the last school day held
28 in May in lieu of a June enrollment.

29 (2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

30 Allocations for certificated instructional staff salaries for the
31 2011-12 and 2012-13 school years are determined using formula-generated
32 staff units calculated pursuant to this subsection.

33 (a) Certificated instructional staff units, as defined in RCW
34 28A.150.410, shall be allocated to reflect the minimum class size
35 allocations, requirements, and school prototypes assumptions as
36 provided in RCW 28A.150.260. The superintendent shall make allocations
37 to school districts based on the district's annual average full-time
38 equivalent student enrollment in each grade.

1 (b) Additional certificated instructional staff units provided in
2 this subsection (2) that exceed the minimum requirements in RCW
3 28A.150.260 are enhancements outside the program of basic education,
4 except as otherwise provided in this section.

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

9 General education class size:

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

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

19 (ii) For each level of prototypical school at which more than fifty
20 percent of the students were eligible for free and reduced-price meals
21 in the prior school year, the superintendent shall allocate funding
22 based on the following average class size of full-time equivalent
23 students per teacher:

24

25 General education class size in high poverty
26 school:

27 Grades K-3	24.10
28 Grade 4	27.00
29 Grades 5-6	27.00
30 Grades 7-8	28.53
31 Grades 9-12	28.74

1 (iii) Pursuant to RCW 28A.150.260(4)(a), the assumed teacher
2 planning period, expressed as a percentage of a teacher work day, is
3 13.42 percent in grades K-6, and 16.67 percent in grades 7-12; and

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

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

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

17 Career and Technical Education

18 students	2.02 per 1000 student FTE's
19 Skill Center students	2.36 per 1000 student FTE's

20 (3) ADMINISTRATIVE STAFF ALLOCATIONS

21 (a) Allocations for school building-level certificated
22 administrative staff salaries for the 2011-12 and 2012-13 school years
23 for general education students are determined using the formula-
24 generated staff units provided in RCW 28A.150.260, and adjusted based
25 on a district's annual average full-time equivalent student enrollment
26 in each grade.

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

31 Career and Technical Education students	2.5 percent
32 Skill Center students	19.75 percent

33 (4) CLASSIFIED STAFF ALLOCATIONS

34 Allocations for classified staff units providing school building-
35 level and district-wide support services for the 2011-12 and 2012-13
36 school years are determined using the formula-generated staff units

1 provided in RCW 28A.150.260, and adjusted based on each district's
2 annual average full-time equivalent student enrollment in each grade.

3
4 (5) CENTRAL OFFICE ALLOCATIONS

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

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

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

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

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

34 (6) FRINGE BENEFIT ALLOCATIONS

35 Fringe benefit allocations shall be calculated at a rate of 16.33
36 percent in the 2011-12 school year and (~~(16.33)~~) 16.34 percent in the
37 2012-13 school year for certificated salary allocations provided under
38 subsections (2), (3), and (5) of this section, and a rate of 18.73

1 percent in the 2011-12 school year and 18.73 percent in the 2012-13
 2 school year for classified salary allocations provided under
 3 subsections (4) and (5) of this section.

4
 5 (7) INSURANCE BENEFIT ALLOCATIONS

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

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

11 (b) The number of classified staff units determined in subsections
 12 (4) and (5) of this section multiplied by 1.152. This factor is
 13 intended to adjust allocations so that, for the purposes of
 14 distributing insurance benefits, full-time equivalent classified
 15 employees may be calculated on the basis of 1440 hours of work per
 16 year, with no individual employee counted as more than one full-time
 17 equivalent.

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

19 Funding is allocated per annual average full-time equivalent
 20 student for the materials, supplies, and operating costs (MSOC)
 21 incurred by school districts, consistent with the requirements of RCW
 22 28A.150.260.

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

25 MSOC RATES/STUDENT FTE

26 MSOC Component	27 2011-12	28 2012-13
	29 SCHOOL YEAR	30 SCHOOL YEAR
31 Technology	((\$57.42) <u>\$57.37</u>)	((\$58.17) <u>\$58.29</u>)
32 Utilities and Insurance	((\$156.03) <u>\$155.88</u>)	((\$158.05) <u>\$158.37</u>)
33 Curriculum and Textbooks	((\$61.65) <u>\$61.59</u>)	((\$62.45) <u>\$62.58</u>)
34 Other Supplies and Library Materials	((\$130.89) <u>\$130.76</u>)	((\$132.59) <u>\$132.85</u>)
35 Instructional Professional Development for Certificated and Classified Staff	\$9.53	((\$9.66) <u>\$9.68</u>)

1	Facilities Maintenance	((\$77.30)) <u>\$77.22</u>	((\$78.30)) <u>\$78.46</u>
2	Security and Central Office	((\$53.55)) <u>\$53.50</u>	((\$54.25)) <u>\$54.35</u>
3	TOTAL BASIC EDUCATION MSOC/STUDENT FTE	((\$546.37)) <u>\$545.84</u>	((\$553.47)) <u>\$554.57</u>

4 (b) Students in approved skill center programs generate per student
5 FTE MSOC allocations which equal the rate for general education
6 students calculated in (a) of this subsection, multiplied by a factor
7 of 2.171.

8 (c) Students in approved exploratory and preparatory career and
9 technical education programs generate a per student MSOC allocation
10 that is equal to the rate for general education students calculated in
11 (a) of this subsection, multiplied by a factor of 2.442.

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

15 (9) SUBSTITUTE TEACHER ALLOCATIONS

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

20 (10) ALTERNATIVE LEARNING EXPERIENCE PROGRAM FUNDING

21 (a) Amounts provided in this section are adjusted to reflect
22 provisions of House Bill No. 2065 (allocation of funding for funding
23 for students enrolled in alternative learning experiences).

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

33 (11) VOLUNTARY FULL DAY KINDERGARTEN PROGRAMS

34 Funding in this section is sufficient to fund voluntary full day
35 kindergarten programs in qualifying high poverty schools, pursuant to
36 RCW 28A.150.220 and 28A.150.315. Each kindergarten student who enrolls

1 for the voluntary full-day program in a qualifying school shall count
2 as one-half of one full-time equivalent student for purpose of making
3 allocations under this section. Funding in this section provides full-
4 day kindergarten programs for 21 percent of kindergarten enrollment in
5 the 2011-12 school year, and 22 percent in the 2012-13 school year.
6 Funding priority shall be given to schools with the highest poverty
7 levels, as measured by prior year free and reduced price lunch
8 eligibility rates in each school. Funding in this section is
9 sufficient to fund voluntary full day kindergarten programs for July
10 and August of the 2010-11 school year.

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

13 For small school districts and remote and necessary school plants
14 within any district which have been judged to be remote and necessary
15 by the superintendent of public instruction, additional staff units are
16 provided to ensure a minimum level of staffing support. Additional
17 administrative and certificated instructional staff units provided to
18 districts in this subsection shall be reduced by the general education
19 staff units, excluding career and technical education and skills center
20 enhancement units, otherwise provided in subsections (2) through (5) of
21 this section on a per district basis.

22 (a) For districts enrolling not more than twenty-five average
23 annual full-time equivalent students in grades K-8, and for small
24 school plants within any school district which have been judged to be
25 remote and necessary by the superintendent of public instruction and
26 enroll not more than twenty-five average annual full-time equivalent
27 students in grades K-8:

28 (i) For those enrolling no students in grades 7 and 8, 1.76
29 certificated instructional staff units and 0.24 certificated
30 administrative staff units for enrollment of not more than five
31 students, plus one-twentieth of a certificated instructional staff unit
32 for each additional student enrolled; and

33 (ii) For those enrolling students in grades 7 or 8, 1.68
34 certificated instructional staff units and 0.32 certificated
35 administrative staff units for enrollment of not more than five
36 students, plus one-tenth of a certificated instructional staff unit for
37 each additional student enrolled;

1 (b) For specified enrollments in districts enrolling more than
2 twenty-five but not more than one hundred average annual full-time
3 equivalent students in grades K-8, and for small school plants within
4 any school district which enroll more than twenty-five average annual
5 full-time equivalent students in grades K-8 and have been judged to be
6 remote and necessary by the superintendent of public instruction:

7 (i) For enrollment of up to sixty annual average full-time
8 equivalent students in grades K-6, 2.76 certificated instructional
9 staff units and 0.24 certificated administrative staff units; and

10 (ii) For enrollment of up to twenty annual average full-time
11 equivalent students in grades 7 and 8, 0.92 certificated instructional
12 staff units and 0.08 certificated administrative staff units;

13 (c) For districts operating no more than two high schools with
14 enrollments of less than three hundred average annual full-time
15 equivalent students, for enrollment in grades 9-12 in each such school,
16 other than alternative schools:

17 (i) For remote and necessary schools enrolling students in any
18 grades 9-12 but no more than twenty-five average annual full-time
19 equivalent students in grades K-12, four and one-half certificated
20 instructional staff units and one-quarter of a certificated
21 administrative staff unit;

22 (ii) For school year 2011-12, for all other small high schools
23 under this subsection, nine certificated instructional staff units and
24 one-half of a certificated administrative staff unit for the first
25 sixty average annual full-time equivalent students, and additional
26 staff units based on a ratio of 0.9732 certificated instructional staff
27 units and 0.1268 certificated administrative staff units per each
28 additional forty-three and one-half average annual full-time equivalent
29 students; and for school year 2012-13, for all other small high schools
30 under this subsection, ((nine)) seven certificated instructional staff
31 units and one-half of a certificated administrative staff unit for the
32 first sixty average annual full-time equivalent students, and
33 additional staff units based on a ratio of ((0.8732)) 0.6792
34 certificated instructional staff units and 0.1268 certificated
35 administrative staff units per each additional forty-three and one-half
36 average annual full-time equivalent students;

37 (d) For each nonhigh school district having an enrollment of more
38 than seventy annual average full-time equivalent students and less than

1 one hundred eighty students, operating a grades K-8 program or a grades
2 1-8 program, an additional one-half of a certificated instructional
3 staff unit;

4 (e) For each nonhigh school district having an enrollment of more
5 than fifty annual average full-time equivalent students and less than
6 one hundred eighty students, operating a grades K-6 program or a grades
7 1-6 program, an additional one-half of a certificated instructional
8 staff unit;

9 (f)(i) For enrollments generating certificated staff unit
10 allocations under (a) through (e) of this subsection, one classified
11 staff unit for each 2.94 certificated staff units allocated under such
12 subsections;

13 (ii) For each nonhigh school district with an enrollment of more
14 than fifty annual average full-time equivalent students and less than
15 one hundred eighty students, an additional one-half of a classified
16 staff unit; and

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

24 (13) Any school district board of directors may petition the
25 superintendent of public instruction by submission of a resolution
26 adopted in a public meeting to reduce or delay any portion of its basic
27 education allocation for any school year. The superintendent of public
28 instruction shall approve such reduction or delay if it does not impair
29 the district's financial condition. Any delay shall not be for more
30 than two school years. Any reduction or delay shall have no impact on
31 levy authority pursuant to RCW 84.52.0531 and local effort assistance
32 pursuant to chapter 28A.500 RCW.

33 (14) The superintendent may distribute funding for the following
34 programs outside the basic education formula during fiscal years 2012
35 and 2013 as follows:

36 (a) \$589,000 of the general fund--state appropriation for fiscal
37 year 2012 and \$597,000 of the general fund--state appropriation for

1 fiscal year 2013 are provided solely for fire protection for school
2 districts located in a fire protection district as now or hereafter
3 established pursuant to chapter 52.04 RCW.

4 (b) \$436,000 of the general fund--state appropriation for fiscal
5 year 2012 and \$436,000 of the general fund--state appropriation for
6 fiscal year 2013 are provided solely for programs providing skills
7 training for secondary students who are enrolled in extended day
8 school-to-work programs, as approved by the superintendent of public
9 instruction. The funds shall be allocated at a rate not to exceed \$500
10 per full-time equivalent student enrolled in those programs.

11 (c) Funding in this section is sufficient to fund adjustments to
12 school districts' allocations resulting from the implementation of the
13 prototypical school funding formula, pursuant to chapter 236, Laws of
14 2010 (K-12 education funding). The funding in this section is intended
15 to hold school districts harmless in total for funding changes
16 resulting from conversion to the prototypical school formula in the
17 general apportionment program, the learning assistance program, the
18 transitional bilingual program, and the highly capable program, after
19 adjustment for changes in enrollment and other caseload adjustments.

20 (15) \$208,000 of the general fund--state appropriation for fiscal
21 year 2012 and \$211,000 of the general fund--state appropriation for
22 fiscal year 2013 are provided solely for school district emergencies as
23 certified by the superintendent of public instruction. At the close of
24 the fiscal year the superintendent of public instruction shall report
25 to the office of financial management and the appropriate fiscal
26 committees of the legislature on the allocations provided to districts
27 and the nature of the emergency.

28 (16) Funding in this section is sufficient to fund a maximum of
29 1.6 FTE enrollment for skills center students pursuant to chapter 463,
30 Laws of 2007.

31 (17) Beginning in the 2011-12 school year, students participating
32 in running start programs may be funded up to a combined maximum
33 enrollment of 1.2 FTE including school district and institution of
34 higher education enrollment. In calculating the combined 1.2 FTE, the
35 office of the superintendent of public instruction may average the
36 participating student's September through June enrollment to account
37 for differences in the start and end dates for courses provided by the
38 high school and higher education institution. Additionally, the office

1 of the superintendent of public instruction, in consultation with the
2 state board for community and technical colleges, the higher education
3 coordinating board, and the education data center, shall annually track
4 and report to the fiscal committees of the legislature on the combined
5 FTE experience of students participating in the running start program,
6 including course load analyses at both the high school and community
7 and technical college system.

8 (18) If two or more school districts consolidate and each district
9 was receiving additional basic education formula staff units pursuant
10 to subsection (12) of this section, the following apply:

11 (a) For three school years following consolidation, the number of
12 basic education formula staff units shall not be less than the number
13 of basic education formula staff units received by the districts in the
14 school year prior to the consolidation; and

15 (b) For the fourth through eighth school years following
16 consolidation, the difference between the basic education formula staff
17 units received by the districts for the school year prior to
18 consolidation and the basic education formula staff units after
19 consolidation pursuant to subsection (12) of this section shall be
20 reduced in increments of twenty percent per year.

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

28 (b) Career and technical education program full-time equivalent
29 enrollment shall be reported on the same monthly basis as the
30 enrollment for students eligible for basic support, and payments shall
31 be adjusted for reported career and technical education program
32 enrollments on the same monthly basis as those adjustments for
33 enrollment for students eligible for basic support.

34 (20) \$10,000,000 of the general fund--state appropriation for
35 fiscal year 2013 is provided solely for the superintendent for
36 financial contingency funds for eligible school districts as a result
37 of delaying a portion of the June apportionment payment. The financial

1 contingency funds shall be allocated to eligible districts in the form
2 of an advance of their respective general apportionment allocations.

3 (a) Eligibility:

4 The superintendent shall determine a district's eligibility for
5 receipt of financial contingency funds, and districts shall be eligible
6 only if the following conditions are met:

7 (i) A petition is submitted by the school district as provided in
8 RCW 28A.510.250 and WAC 392-121-436; and

9 (ii) The district's projected general fund balance for the month of
10 March is less than one-half of one percent of its budgeted general fund
11 expenditures as submitted to the superintendent for the 2012-13 school
12 year on the F-195 report.

13 (b) Calculations:

14 The superintendent shall calculate the financial contingency
15 allocation to each district as the lesser of:

16 (i) The amount set forth in the school district's resolution;

17 (ii) An amount not to exceed ten percent of the total amount to
18 become due and apportionable to the district from September 1st through
19 August 31st of the current school year;

20 (iii) The highest negative monthly cash and investment balance of
21 the general fund between the date of the resolution and May 31st of the
22 school year based on projections approved by the county treasurer and
23 the educational service district.

24 (c) Repayment:

25 For any amount allocated to a district in state fiscal year 2013,
26 the superintendent shall deduct in state fiscal year 2014 from the
27 district's general apportionment the amount of the emergency
28 contingency allocation and any earnings by the school district on the
29 investment of a temporary cash surplus due to the emergency contingency
30 allocation. Repayments or advances will be accomplished by a reduction
31 in the school district's apportionment payments on or before June 30th
32 of the school year following the distribution of the emergency
33 contingency allocation. All disbursements, repayments, and outstanding
34 allocations to be repaid of the emergency contingency pool shall be
35 reported to the office of financial management and the appropriate
36 fiscal committees of the legislature on July 1st and January 1st of
37 each year.

1 **Sec. 503.** 2011 2nd sp.s. c 9 s 503 (uncodified) is amended to read
2 as follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION EMPLOYEE**
4 **COMPENSATION**

5 (1) The following calculations determine the salaries used in the
6 state allocations for certificated instructional, certificated
7 administrative, and classified staff units as provided in RCW
8 28A.150.280 and under section 503 of this act:

9 (a) Salary allocations for certificated instructional staff units
10 are determined for each district by multiplying the district's
11 certificated instructional total base salary shown on LEAP Document 2
12 by the district's average staff mix factor for certificated
13 instructional staff in that school year, computed using LEAP document
14 1; and

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

19 (2) For the purposes of this section:

20 (a) "LEAP Document 1" means the staff mix factors for certificated
21 instructional staff according to education and years of experience, as
22 developed by the legislative evaluation and accountability program
23 committee on May 23, 2011, at 16:10 hours; and

24 (b) "LEAP Document 2" means the school year salary allocations for
25 certificated administrative staff and classified staff and derived and
26 total base salaries for certificated instructional staff as developed
27 by the legislative evaluation and accountability program committee on
28 May 23, 2011, at 16:10 hours.

29 (3) Incremental fringe benefit factors are applied to salary
30 adjustments at a rate of 15.69 percent for school year 2011-12 and
31 (~~(15.69)~~) 15.70 percent for school year 2012-13 for certificated
32 instructional and certificated administrative staff and 15.23 percent
33 for school year 2011-12 and 15.23 percent for the 2012-13 school year
34 for classified staff.

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

1 Table Of Total Base Salaries For Certificated Instructional Staff For School Year 2011-12

2 ***Education Experience***

3

4	Years										MA+90
5	of										OR
6	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	Ph.D.	
7	0	33,401	34,303	35,238	36,175	39,180	41,116	40,045	43,051	44,989	
8	1	33,851	34,765	35,712	36,690	39,727	41,652	40,490	43,527	45,452	
9	2	34,279	35,202	36,159	37,212	40,241	42,186	40,938	43,966	45,912	
10	3	34,720	35,653	36,620	37,706	40,729	42,722	41,363	44,384	46,377	
11	4	35,153	36,127	37,099	38,224	41,264	43,271	41,808	44,849	46,857	
12	5	35,600	36,578	37,561	38,748	41,777	43,824	42,261	45,291	47,339	
13	6	36,060	37,017	38,032	39,279	42,293	44,352	42,725	45,740	47,797	
14	7	36,868	37,839	38,868	40,182	43,241	45,356	43,594	46,652	48,768	
15	8	38,050	39,074	40,127	41,550	44,651	46,844	44,961	48,063	50,254	
16	9		40,353	41,459	42,933	46,106	48,373	46,343	49,518	51,785	
17	10			42,806	44,387	47,602	49,945	47,798	51,014	53,356	
18	11				45,883	49,169	51,558	49,295	52,581	54,969	
19	12				47,332	50,777	53,238	50,850	54,188	56,650	
20	13					52,425	54,959	52,460	55,836	58,370	
21	14					54,081	56,745	54,117	57,600	60,157	
22	15					55,488	58,221	55,523	59,098	61,721	
23	16 or more					56,597	59,385	56,634	60,279	62,955	

24

25 Table Of Total Base Salaries For Certificated Instructional Staff For School Year 2012-13

26 ***Education Experience***

27

28	Years										MA+90
29	of										OR
30	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	Ph.D.	
31	0	33,401	34,303	35,238	36,175	39,180	41,116	40,045	43,051	44,989	
32	1	33,851	34,765	35,712	36,690	39,727	41,652	40,490	43,527	45,452	
33	2	34,279	35,202	36,159	37,212	40,241	42,186	40,938	43,966	45,912	

1	3	34,720	35,653	36,620	37,706	40,729	42,722	41,363	44,384	46,377
2	4	35,153	36,127	37,099	38,224	41,264	43,271	41,808	44,849	46,857
3	5	35,600	36,578	37,561	38,748	41,777	43,824	42,261	45,291	47,339
4	6	36,060	37,017	38,032	39,279	42,293	44,352	42,725	45,740	47,797
5	7	36,868	37,839	38,868	40,182	43,241	45,356	43,594	46,652	48,768
6	8	38,050	39,074	40,127	41,550	44,651	46,844	44,961	48,063	50,254
7	9		40,353	41,459	42,933	46,106	48,373	46,343	49,518	51,785
8	10			42,806	44,387	47,602	49,945	47,798	51,014	53,356
9	11				45,883	49,169	51,558	49,295	52,581	54,969
10	12				47,332	50,777	53,238	50,850	54,188	56,650
11	13					52,425	54,959	52,460	55,836	58,370
12	14					54,081	56,745	54,117	57,600	60,157
13	15					55,488	58,221	55,523	59,098	61,721
14	16 or more					56,597	59,385	56,634	60,279	62,955

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

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

- 22 (i) Credits earned since receiving the masters degree; and
- 23 (ii) Any credits in excess of forty-five credits that were earned
24 after the baccalaureate degree but before the masters degree.

25 (5) For the purposes of this section:

- 26 (a) "BA" means a baccalaureate degree.
- 27 (b) "MA" means a masters degree.
- 28 (c) "PHD" means a doctorate degree.

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

31 (e) "Credits" means college quarter hour credits and equivalent
32 in-service credits computed in accordance with RCW 28A.415.020 and
33 28A.415.023.

34 (6) No more than ninety college quarter-hour credits received by
35 any employee after the baccalaureate degree may be used to determine
36 compensation allocations under the state salary allocation schedule and

1 LEAP documents referenced in this part V, or any replacement schedules
2 and documents, unless:

3 (a) The employee has a masters degree; or

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

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

8 **Sec. 504.** 2011 2nd sp.s. c 9 s 504 (uncodified) is amended to read
9 as follows:

10 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**
11 **COMPENSATION ADJUSTMENTS**

12 General Fund--Federal Appropriation \$2,000

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

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

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

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

32 (d) The appropriations in this subsection (1) include associated
33 incremental fringe benefit allocations at 15.69 percent for the 2011-12
34 school year and ((15.69)) 15.70 percent for the 2012-13 school year for
35 certificated instructional and certificated administrative staff and
36 15.23 percent for the 2011-12 school year and 15.23 percent for the
37 2012-13 school year for classified staff.

1 (e) The appropriations in this section include the increased or
2 decreased portion of salaries and incremental fringe benefits for all
3 relevant state-funded school programs in part V of this act. Changes
4 for general apportionment (basic education) are based on the salary
5 allocation schedules and methodology in sections 503 and 504 of this
6 act. Changes for special education result from changes in each
7 district's basic education allocation per student. Changes for
8 educational service districts and institutional education programs are
9 determined by the superintendent of public instruction using the
10 methodology for general apportionment salaries and benefits in sections
11 503 and 504 of this act.

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

14 (2) The maintenance rate for insurance benefit allocations is
15 \$768.00 per month for the 2011-12 and 2012-13 school years. The
16 appropriations in this section reflect the incremental change in cost
17 of allocating rates of \$768.00 per month for the 2011-12 school year
18 and \$768.00 per month for the 2012-13 school year.

19 (3) The rates specified in this section are subject to revision
20 each year by the legislature.

21 **Sec. 505.** 2011 2nd sp.s. c 9 s 505 (uncodified) is amended to read
22 as follows:

23 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION**

24 General Fund--State Appropriation (FY 2012)	((\$322,033,000))
	<u>\$322,243,000</u>
26 General Fund--State Appropriation (FY 2013)	((\$273,380,000))
	<u>\$273,642,000</u>
28 TOTAL APPROPRIATION	((\$595,413,000))
	<u>\$595,885,000</u>

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

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

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

1 (b) From July 1, 2011 to August 31, 2011, the superintendent shall
2 allocate funding to school districts programs for the transportation of
3 students as provided in section 505, chapter 564, Laws of 2009, as
4 amended through section 1404 of this act.

5 (3) Any amounts appropriated for maintenance level funding for
6 pupil transportation that exceed actual maintenance level expenditures
7 as calculated under the funding formula that takes effect September 1,
8 2011, shall be distributed to districts according to RCW
9 28A.160.192(2)(b).

10 (4) A maximum of \$892,000 of this fiscal year 2012 appropriation
11 and a maximum of \$892,000 of the fiscal year 2013 appropriation may be
12 expended for regional transportation coordinators and related
13 activities. The transportation coordinators shall ensure that data
14 submitted by school districts for state transportation funding shall,
15 to the greatest extent practical, reflect the actual transportation
16 activity of each district.

17 (5) The office of the superintendent of public instruction shall
18 provide reimbursement funding to a school district for school bus
19 purchases only after the superintendent of public instruction
20 determines that the school bus was purchased from the list established
21 pursuant to RCW 28A.160.195(2) or a comparable competitive bid process
22 based on the lowest price quote based on similar bus categories to
23 those used to establish the list pursuant to RCW 28A.160.195.

24 (6) The superintendent of public instruction shall base
25 depreciation payments for school district buses on the pre-sales tax
26 five-year average of lowest bids in the appropriate category of bus.
27 In the final year on the depreciation schedule, the depreciation
28 payment shall be based on the lowest bid in the appropriate bus
29 category for that school year.

30 (7) Funding levels in this section reflect waivers granted by the
31 state board of education for four-day school weeks as allowed under RCW
32 28A.305.141.

33 (8) Starting with the 2012-13 school year, the office of the
34 superintendent of public instruction shall disburse payments for bus
35 depreciation in August.

36 **Sec. 506.** 2011 2nd sp.s. c 9 s 507 (uncodified) is amended to read
37 as follows:

1 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**
2 **PROGRAMS**

3	General Fund--State Appropriation (FY 2012)	((\$653,904,000))
4		<u>\$648,314,000</u>
5	General Fund--State Appropriation (FY 2013)	((\$694,237,000))
6		<u>\$679,820,000</u>
7	General Fund--Federal Appropriation	\$486,936,000
8	Education Legacy Trust Account--State Appropriation	\$756,000
9	TOTAL APPROPRIATION	((\$1,835,833,000))
10		<u>\$1,815,826,000</u>

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

13 (1) Funding for special education programs is provided on an excess
14 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
15 that special education students as a class receive their full share of
16 the general apportionment allocation accruing through sections 502 and
17 504 of this act. To the extent a school district cannot provide an
18 appropriate education for special education students under chapter
19 28A.155 RCW through the general apportionment allocation, it shall
20 provide services through the special education excess cost allocation
21 funded in this section.

22 (2)(a) The superintendent of public instruction shall ensure that:
23 (i) Special education students are basic education students first;
24 (ii) As a class, special education students are entitled to the
25 full basic education allocation; and
26 (iii) Special education students are basic education students for
27 the entire school day.

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

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

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

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

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

11 (5) The following applies throughout this section: The definitions
12 for enrollment and enrollment percent are as specified in RCW
13 28A.150.390(3). Each district's general fund--state funded special
14 education enrollment shall be the lesser of the district's actual
15 enrollment percent or 12.7 percent.

16 (6) At the request of any interdistrict cooperative of at least 15
17 districts in which all excess cost services for special education
18 students of the districts are provided by the cooperative, the maximum
19 enrollment percent shall be calculated in accordance with RCW
20 28A.150.390(3) (c) and (d), and shall be calculated in the aggregate
21 rather than individual district units. For purposes of this
22 subsection, the average basic education allocation per full-time
23 equivalent student shall be calculated in the aggregate rather than
24 individual district units.

25 (7) \$8,914,000 of the general fund--state appropriation for fiscal
26 year 2012, \$34,200,000 of the general fund--state appropriation for
27 fiscal year 2013, and \$29,574,000 of the general fund--federal
28 appropriation are provided solely for safety net awards for districts
29 with demonstrated needs for special education funding beyond the
30 amounts provided in subsection (4) of this section. If the federal
31 safety net awards based on the federal eligibility threshold exceed the
32 federal appropriation in this subsection (7) in any fiscal year, the
33 superintendent shall expend all available federal discretionary funds
34 necessary to meet this need. At the conclusion of each school year,
35 the superintendent shall recover safety net funds that were distributed
36 prospectively but for which districts were not subsequently eligible.

37 (a) For the 2011-12 and 2012-13 school years, safety net funds

1 shall be awarded by the state safety net oversight committee as
2 provided in section 109(1) chapter 548, Laws of 2009 (ESHB 2261).

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

7 (8) A maximum of \$678,000 may be expended from the general fund--
8 state appropriations to fund 5.43 full-time equivalent teachers and 2.1
9 full-time equivalent aides at children's orthopedic hospital and
10 medical center. This amount is in lieu of money provided through the
11 home and hospital allocation and the special education program.

12 (9) The superintendent shall maintain the percentage of federal
13 flow-through to school districts at 85 percent. In addition to other
14 purposes, school districts may use increased federal funds for high-
15 cost students, for purchasing regional special education services from
16 educational service districts, and for staff development activities
17 particularly relating to inclusion issues.

18 (10) A school district may carry over from one year to the next
19 year up to 10 percent of the general fund--state funds allocated under
20 this program; however, carryover funds shall be expended in the special
21 education program.

22 (11) \$251,000 of the general fund--state appropriation for fiscal
23 year 2012 and \$251,000 of the general fund--state appropriation for
24 fiscal year 2013 are provided solely for two additional full-time
25 equivalent staff to support the work of the safety net committee and to
26 provide training and support to districts applying for safety net
27 awards.

28 (12) \$50,000 of the general fund--state appropriation for fiscal
29 year 2012, \$50,000 of the general fund--state appropriation for fiscal
30 year 2013, and \$100,000 of the general fund--federal appropriation
31 shall be expended to support a special education ombudsman program
32 within the office of superintendent of public instruction.

33 **Sec. 507.** 2011 2nd sp.s. c 9 s 508 (uncodified) is amended to read
34 as follows:

35 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE**
36 **DISTRICTS**

37 General Fund--State Appropriation (FY 2012)((~~\$7,889,000~~))

1		<u>\$7,894,000</u>
2	General Fund--State Appropriation (FY 2013)	((\$7,904,000))
3		<u>\$4,439,000</u>
4	TOTAL APPROPRIATION	((\$15,793,000))
5		<u>\$12,333,000</u>

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

8 (1) The educational service districts shall continue to furnish
9 financial services required by the superintendent of public instruction
10 and RCW 28A.310.190 (3) and (4).

11 (2) (~~Funding within this section~~) \$3,466,000 of the general
12 fund--state appropriation for fiscal year 2012 is provided for regional
13 professional development related to mathematics and science curriculum
14 and instructional strategies. Funding shall be distributed among the
15 educational service districts in the same proportion as distributions
16 in the 2007-2009 biennium. Each educational service district shall use
17 this funding solely for salary and benefits for a certificated
18 instructional staff with expertise in the appropriate subject matter
19 and in professional development delivery, and for travel, materials,
20 and other expenditures related to providing regional professional
21 development support.

22 (3) The educational service districts, at the request of the state
23 board of education pursuant to RCW 28A.310.010 and 28A.310.340, may
24 receive and screen applications for school accreditation, conduct
25 school accreditation site visits pursuant to state board of education
26 rules, and submit to the state board of education post-site visit
27 recommendations for school accreditation. The educational service
28 districts may assess a cooperative service fee to recover actual plus
29 reasonable indirect costs for the purposes of this subsection.

30 **Sec. 508.** 2011 2nd sp.s. c 9 s 509 (uncodified) is amended to read
31 as follows:

32 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
33 **ASSISTANCE**

34	General Fund--State Appropriation (FY 2012)	((\$300,761,000))
35		<u>\$300,768,000</u>
36	General Fund--State Appropriation (FY 2013)	((\$299,276,000))
37		<u>\$223,325,000</u>

1	<u>General Fund--Federal Appropriation</u>	<u>\$4,400,000</u>
2	TOTAL APPROPRIATION	((\$600,037,000))
3		<u>\$528,493,000</u>

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

9 **Sec. 509.** 2011 2nd sp.s. c 9 s 510 (uncodified) is amended to read
10 as follows:

11 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
12 **EDUCATION PROGRAMS**

13	General Fund--State Appropriation (FY 2012)	((\$17,507,000))
14		<u>\$16,694,000</u>
15	General Fund--State Appropriation (FY 2013)	((\$16,969,000))
16		<u>\$15,866,000</u>
17	TOTAL APPROPRIATION	((\$34,476,000))
18		<u>\$32,560,000</u>

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

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

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

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

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

36 (5) ((~~\$669,000~~)) \$586,000 of the general fund--state appropriation
37 for fiscal year 2012 and ((~~\$669,000~~)) \$549,000 of the general fund--

1 state appropriation for fiscal year 2013 are provided solely to
2 maintain at least one certificated instructional staff and related
3 support services at an institution whenever the K-12 enrollment is not
4 sufficient to support one full-time equivalent certificated
5 instructional staff to furnish the educational program. The following
6 types of institutions are included: Residential programs under the
7 department of social and health services for developmentally disabled
8 juveniles, programs for juveniles under the department of corrections,
9 programs for juveniles under the juvenile rehabilitation
10 administration, and programs for juveniles operated by city and county
11 jails.

12 (6) Ten percent of the funds allocated for each institution may be
13 carried over from one year to the next.

14 **Sec. 510.** 2011 2nd sp.s. c 9 s 511 (uncodified) is amended to read
15 as follows:

16 **FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS**

17 General Fund--State Appropriation (FY 2012)	((\$8,759,000))
	<u>\$8,745,000</u>
19 General Fund--State Appropriation (FY 2013)	((\$8,842,000))
	<u>\$8,789,000</u>
21 TOTAL APPROPRIATION	((\$17,601,000))
	<u>\$17,534,000</u>

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

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

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

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

5 (3) \$85,000 of the general fund--state appropriation for fiscal
6 year 2012 and \$85,000 of the general fund--state appropriation for
7 fiscal year 2013 are provided solely for the centrum program at Fort
8 Worden state park.

9 **Sec. 511.** 2011 2nd sp.s. c 9 s 513 (uncodified) is amended to read
10 as follows:

11 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM**
12 **PROGRAMS**

13	General Fund--State Appropriation (FY 2012)	\$58,078,000
14	General Fund--State Appropriation (FY 2013)	((98,309,000))
15		<u>\$87,754,000</u>
16	General Fund--Federal Appropriation	\$219,161,000
17	General Fund--Private/Local Appropriation	\$4,000,000
18	Education Legacy Trust Account--State Appropriation	\$1,598,000
19	TOTAL APPROPRIATION	((381,146,000))
20		<u>\$370,591,000</u>

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

23 (1) \$40,822,000 of the general fund--state appropriation for fiscal
24 year 2012, ~~((41,613,000))~~ \$41,614,000 of the general fund--state
25 appropriation for fiscal year 2013, \$1,350,000 of the education legacy
26 trust account--state appropriation, and \$15,868,000 of the general
27 fund--federal appropriation are provided solely for development and
28 implementation of the Washington state assessment system, including:

- 29 (a) Development and implementation of retake assessments for high
- 30 school students who are not successful in one or more content areas and
- 31 (b) development and implementation of alternative assessments or
- 32 appeals procedures to implement the certificate of academic
- 33 achievement. The superintendent of public instruction shall report
- 34 quarterly on the progress on development and implementation of
- 35 alternative assessments or appeals procedures. Within these amounts,
- 36 the superintendent of public instruction shall contract for the early

1 return of 10th grade student assessment results, on or around June 10th
2 of each year. State funding shall be limited to one collection of
3 evidence payment per student, per content-area assessment.

4 (2) \$356,000 of the general fund--state appropriation for fiscal
5 year 2012 and (~~(\$356,000)~~) \$320,000 of the general fund--state
6 appropriation for fiscal year 2013 are provided solely for the
7 Washington state leadership and assistance for science education reform
8 (LASER) regional partnership activities coordinated at the Pacific
9 science center, including instructional material purchases, teacher and
10 principal professional development, and school and community engagement
11 events.

12 (3) \$980,000 of the general fund--state appropriation for fiscal
13 year 2012 and (~~(\$980,000)~~) \$882,000 of the general fund--state
14 appropriation for fiscal year 2013 are provided solely for improving
15 technology infrastructure, monitoring and reporting on school district
16 technology development, promoting standards for school district
17 technology, promoting statewide coordination and planning for
18 technology development, and providing regional educational technology
19 support centers, including state support activities, under chapter
20 28A.650 RCW.

21 (4) \$3,852,000 of the general fund--state appropriation for fiscal
22 year 2012 and \$2,624,000 of the general fund--state appropriation for
23 fiscal year 2013 are provided solely for continued implementation of
24 chapter 235, Laws of 2010 (education reform) including development of
25 new performance-based evaluation systems for certificated educators.

26 (5)(a) (~~(\$40,681,000)~~) \$30,997,000 of the general fund--state
27 appropriation for fiscal year 2013 is provided solely for the following
28 bonuses for teachers who hold valid, unexpired certification from the
29 national board for professional teaching standards and who are teaching
30 in a Washington public school, subject to the following conditions and
31 limitations:

32 (i) For national board certified teachers, a bonus of (~~(\$5,090)~~)
33 \$4,000 per teacher in the 2011-12 and 2012-13 school years, adjusted
34 for inflation in each school year in which Initiative 732 cost of
35 living adjustments are provided;

36 (ii) An additional (~~(\$5,000)~~) \$4,000 annual bonus shall be paid to
37 national board certified teachers who teach in either: (A) High
38 schools where at least 50 percent of student headcount enrollment is

1 eligible for federal free or reduced price lunch, (B) middle schools
2 where at least 60 percent of student headcount enrollment is eligible
3 for federal free or reduced price lunch, or (C) elementary schools
4 where at least 70 percent of student headcount enrollment is eligible
5 for federal free or reduced price lunch;

6 (iii) The superintendent of public instruction shall adopt rules to
7 ensure that national board certified teachers meet the qualifications
8 for bonuses under (a)(ii) of this subsection for less than one full
9 school year receive bonuses in a pro-rated manner. Beginning in the
10 2011-12 school year, all bonuses in (a)(i) and (ii) of this subsection
11 will be paid in July of each school year. Bonuses in (a)(i) and (ii)
12 of this subsection shall be reduced by a factor of 40 percent for first
13 year NBPTS certified teachers, to reflect the portion of the
14 instructional school year they are certified; and

15 (iv) During the 2011-12 and 2012-13 school years, and within
16 available funds, certificated instructional staff who have met the
17 eligibility requirements and have applied for certification from the
18 national board for professional teaching standards may receive a
19 conditional loan of two thousand dollars or the amount set by the
20 office of the superintendent of public instruction to contribute toward
21 the current assessment fee, not including the initial up-front
22 candidacy payment. The fee shall be an advance on the first annual
23 bonus under RCW 28A.405.415. The conditional loan is provided in
24 addition to compensation received under a district's salary schedule
25 and shall not be included in calculations of a district's average
26 salary and associated salary limitation under RCW 28A.400.200.
27 Recipients who fail to receive certification after three years are
28 required to repay the conditional loan. The office of the
29 superintendent of public instruction shall adopt rules to define the
30 terms for initial grant of the assessment fee and repayment, including
31 applicable fees. To the extent necessary, the superintendent may use
32 revenues from the repayment of conditional loan scholarships to ensure
33 payment of all national board bonus payments required by this section
34 in each school year.

35 (6) \$477,000 of the general fund--state appropriation for fiscal
36 year 2012 and (~~(\$477,000)~~) \$430,000 of the general fund--state
37 appropriation for fiscal year 2013 are provided solely for the

1 leadership internship program for superintendents, principals, and
2 program administrators.

3 (7) \$950,000 of the general fund--state appropriation for fiscal
4 year 2012 and (~~(\$950,000)~~) \$855,000 of the general fund--state
5 appropriation for fiscal year 2013 are provided solely for the
6 Washington reading corps. The superintendent shall allocate reading
7 corps members to low- performing schools and school districts that are
8 implementing comprehensive, proven, research-based reading programs.
9 Two or more schools may combine their Washington reading corps
10 programs.

11 (8) \$810,000 of the general fund--state appropriation for fiscal
12 year 2012 and (~~(\$810,000)~~) \$729,000 of the general fund--state
13 appropriation for fiscal year 2013 are provided solely for the
14 development of a leadership academy for school principals and
15 administrators. The superintendent of public instruction shall
16 contract with an independent organization to design, field test, and
17 implement a state-of-the-art education leadership academy that will be
18 accessible throughout the state. Initial development of the content of
19 the academy activities shall be supported by private funds.
20 Semiannually the independent organization shall report on amounts
21 committed by foundations and others to support the development and
22 implementation of this program. Leadership academy partners shall
23 include the state level organizations for school administrators and
24 principals, the superintendent of public instruction, the professional
25 educator standards board, and others as the independent organization
26 shall identify.

27 (9) \$3,234,000 of the general fund--state appropriation for fiscal
28 year 2012 and \$3,234,000 of the general fund--state appropriation for
29 fiscal year 2013 are provided solely for grants to school districts to
30 provide a continuum of care for children and families to help children
31 become ready to learn. Grant proposals from school districts shall
32 contain local plans designed collaboratively with community service
33 providers. If a continuum of care program exists in the area in which
34 the school district is located, the local plan shall provide for
35 coordination with existing programs to the greatest extent possible.

36 (10) \$1,500,000 of the general fund--state appropriation for fiscal
37 year 2012 and \$1,500,000 of the general fund--state appropriation for
38 fiscal year 2013 are provided solely for the implementation of chapter

1 288, Laws of 2011 (actual student success program), including
2 allocations to the opportunity internship program, the jobs for
3 America's graduates program, the building bridges program, services
4 provided by a college scholarship organization. Funding shall not be
5 used in the 2011-2013 fiscal biennium to provide awards for schools and
6 school districts.

7 (11) \$859,000 of the general fund--state appropriation for fiscal
8 year 2012, \$846,000 of the general fund--state appropriation for fiscal
9 year 2013, and \$248,000 of the education legacy trust account--state
10 appropriation are for administrative support of education reform
11 programs.

12 (12) \$2,000,000 of the general fund--state appropriation for fiscal
13 year 2012 and (~~(\$2,000,000)~~) \$1,800,000 of the general fund--state
14 appropriation for fiscal year 2013 are provided solely for a statewide
15 information technology (IT) academy program. This public-private
16 partnership will provide educational software, as well as IT
17 certification and software training opportunities for students and
18 staff in public schools.

19 (13) \$977,000 of the general fund--state appropriation for fiscal
20 year 2012 and \$977,000 of the general fund--state appropriation for
21 fiscal year 2013 are provided solely for secondary career and technical
22 education grants pursuant to chapter 170, Laws of 2008. If equally
23 matched by private donations, \$300,000 of the 2012 appropriation and
24 \$300,000 of the 2013 appropriation shall be used to support FIRST
25 robotics programs.

26 (14) \$125,000 of the general fund--state appropriation for fiscal
27 year 2012 and \$125,000 of the general fund--state appropriation for
28 fiscal year 2013 are provided solely for (a) staff at the office of the
29 superintendent of public instruction to coordinate and promote efforts
30 to develop integrated math, science, technology, and engineering
31 programs in schools and districts across the state; and (b) grants of
32 \$2,500 to provide twenty middle and high school teachers each year with
33 professional development training for implementing integrated math,
34 science, technology, and engineering programs in their schools.

35 (15) \$135,000 of the general fund--state appropriation for fiscal
36 year 2012 and (~~(\$135,000)~~) \$122,000 of the general fund--state
37 appropriation for fiscal year 2013 are provided solely for science,

1 technology, engineering and mathematics lighthouse projects, consistent
2 with chapter 238, Laws of 2010.

3 (16) \$1,000,000 of the general fund--state appropriation for fiscal
4 year 2012 (~~(and \$1,000,000 of the general fund--state appropriation for~~
5 ~~fiscal year 2013 are))~~ is provided solely for a beginning educator
6 support program. School districts and/or regional consortia may apply
7 for grant funding. The superintendent shall implement this program in
8 5 to 15 school districts and/or regional consortia. The program
9 provided by a district and/or regional consortia shall include: A paid
10 orientation; assignment of a qualified mentor; development of a
11 professional growth plan for each beginning teacher aligned with
12 professional certification; release time for mentors and new teachers
13 to work together; and teacher observation time with accomplished peers.
14 \$250,000 may be used to provide statewide professional development
15 opportunities for mentors and beginning educators.

16 (17) \$250,000 of the general fund--state appropriation for fiscal
17 year 2013 is provided solely for advanced project lead the way courses
18 at ten high schools. To be eligible for funding, a high school must
19 have offered a foundational project lead the way course during the
20 2011-12 school year. The funding must be used for one-time start-up
21 course costs for an advanced project lead the way course, to be offered
22 to students beginning in the 2012-13 school year. The office of the
23 superintendent of public instruction and the education research and
24 data center at the office of financial management shall track student
25 participation and long-term outcome data.

26 (18) \$150,000 of the general fund--state appropriation for fiscal
27 year 2013 is provided solely for aerospace and manufacturing technical
28 programs housed at two skill centers. The one-time funding is provided
29 for start-up equipment and curriculum purchases. To be eligible for
30 funding, the skill center must agree to provide regional high schools
31 with access to a technology laboratory, expand manufacturing
32 certificate and course offerings at the skill center, and provide a
33 laboratory space for local high school teachers to engage in
34 professional development in the instruction of courses leading to
35 student employment certification in the aerospace and manufacturing
36 industries. The office of the superintendent of instruction shall
37 administer the grants in consultation with the center for excellence
38 for aerospace and advanced materials manufacturing.

1 (19) \$300,000 of the general fund--state appropriation for fiscal
2 year 2013 is provided solely for start-up grants to twelve high schools
3 to implement the aerospace assembler program. Participating high
4 schools must agree to offer the aerospace assembler training program to
5 students by spring semester of school year 2012-13. The office of the
6 superintendent of public instruction and the education research and
7 data center at the office of financial management shall track student
8 participation and long-term outcome data.

9 **Sec. 512.** 2011 2nd sp.s. c 9 s 514 (uncodified) is amended to read
10 as follows:

11 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL**
12 **BILINGUAL PROGRAMS**

13 General Fund--State Appropriation (FY 2012)	((\$79,496,000))
14	<u>\$79,575,000</u>
15 General Fund--State Appropriation (FY 2013)	((\$82,856,000))
16	<u>\$80,666,000</u>
17 General Fund--Federal Appropriation	\$71,001,000
18 TOTAL APPROPRIATION	((\$233,353,000))
19	<u>\$231,242,000</u>

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

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

25 (2)(a) For the 2011-12 and 2012-13 school years, the superintendent
26 shall allocate funding to school districts for transitional bilingual
27 programs as provided in RCW 28A.150.260(10)(b). In calculating the
28 allocations, the superintendent shall assume the following averages:
29 (i) Additional instruction of 4.7780 hours per week per transitional
30 bilingual program student; (ii) fifteen transitional bilingual program
31 students per teacher; (iii) 36 instructional weeks per year; (iv) 900
32 instructional hours per teacher; and (v) the district's average staff
33 mix and compensation rates as provided in sections 503 and 504 of this
34 act.
35

36 (b) From July 1, 2011, to August 31, 2011, the superintendent shall
37 allocate funding to school districts for transitional bilingual

1 instruction programs as provided in section 514, chapter 564, Laws of
2 2009, as amended through section 1411 of this act.

3 (c) The allocations in this section reflect the implementation of
4 a new funding formula for the transitional bilingual instructional
5 program, effective September 1, 2011, as specified in RCW
6 28A.150.260(10)(b).

7 (3) The superintendent may withhold allocations to school districts
8 in subsection (2) of this section solely for the central provision of
9 assessments as provided in RCW 28A.180.090 (1) and (2) up to the
10 following amounts: 2.79 percent for school year 2011-12 and ((2.09))
11 2.11 percent for school year 2012-13.

12 (4) The general fund--federal appropriation in this section is for
13 migrant education under Title I Part C and English language
14 acquisition, and language enhancement grants under Title III of the
15 elementary and secondary education act.

16 ~~(5)((a) The office of the superintendent of public instruction
17 shall implement a funding model for the transitional bilingual program,
18 beginning in school year 2012-13, that is scaled to provide more
19 support to students requiring most intensive intervention, (students
20 with beginning levels of English language proficiency) and less support
21 to students requiring less intervention. The funding model shall also
22 provide up to two years of bonus funding upon successful exit from the
23 bilingual program to facilitate successful transition to a standard
24 program of education.~~

25 ~~(b) It is expected that per pupil funding for level 2 proficiency
26 will be set at the same level as would have been provided statewide
27 prior to establishing differential per pupil amounts; level 1 will be
28 125 percent of level 2; level 3 through the level prior to exit will be
29 75 percent of level 2; and two bonus years upon successful
30 demonstration of proficiency will be 100 percent of level 2. Prior to
31 implementing in school year 2012-13, the office of the superintendent
32 of public instruction shall provide to the senate and house of
33 representatives ways and means committees recommended rates based on
34 the results of proficiency test procurement, expressed as both per-
35 pupil rates and hours of instruction as provided in RCW
36 28A.150.260(10)(b).~~

37 ~~(c) Each bilingual student shall be tested for proficiency level
38 and, therefore, eligibility for the transitional bilingual program each~~

1 year. ~~The bonus payments for up to two school years following~~
2 ~~successful exit from the transitional bilingual program shall be~~
3 ~~allocated to the exiting school district. If the student graduates or~~
4 ~~transfers to another district prior to the district receiving both~~
5 ~~years' bonuses, the district shall receive the bonus for only the~~
6 ~~length of time the student remains enrolled in the exiting district.~~

7 (d) ~~The quality education council shall examine the revised~~
8 ~~funding model developed under this subsection and provide a report to~~
9 ~~the education and fiscal committees of the legislature by December 1,~~
10 ~~2011, that includes recommendations for:~~

11 (i) ~~Changing the prototypical school funding formula for the~~
12 ~~transitional bilingual program to align with the revised model in an~~
13 ~~accurate and transparent manner;~~

14 (ii) ~~Reconciling the revised model with statutory requirements for~~
15 ~~categorical funding of the transitional bilingual instructional program~~
16 ~~that is restricted to students eligible for and enrolled in that~~
17 ~~program;~~

18 (iii) ~~Clarifying the elements of the transitional bilingual~~
19 ~~instructional program that fall under the definition of basic education~~
20 ~~and the impact of the revised model on them; and~~

21 (iv) ~~The extent that the disparate financial impact of the revised~~
22 ~~model on different school districts should be addressed and options for~~
23 ~~addressing it.~~

24 (e) ~~The office of the superintendent of public instruction shall~~
25 ~~report to the senate and house of representatives ways and means~~
26 ~~committees and education committees annually by December 31st of each~~
27 ~~year, through 2018, regarding any measurable changes in proficiency,~~
28 ~~time in program, and transition experience.~~

29 (6)) \$35,000 of the general fund--state appropriation for fiscal
30 year 2012 and \$35,000 of the general fund--state appropriation for
31 fiscal year 2013 are provided solely to track current and former
32 transitional bilingual program students.

33 **Sec. 513.** 2011 2nd sp.s. c 9 s 515 (uncodified) is amended to read
34 as follows:

35 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
36 **ASSISTANCE PROGRAM**

37 General Fund--State Appropriation (FY 2012) ((\$102,470,000))

1 the annual income verification process required by the national school
2 lunch program, as recommended in the report of the state auditor on the
3 learning assistance program dated February, 2010.

4 (3) The general fund--federal appropriation in this section is
5 provided for Title I Part A allocations of the no child left behind act
6 of 2001.

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

11 (5) The office of the superintendent of public instruction shall
12 research and recommend options for an adjustment factor for middle
13 school and high school free and reduced price lunch eligibility
14 reporting rates pursuant to RCW 28A.150.260(12)(a), and submit a report
15 to the fiscal committees of the legislature by June 1, 2012. For the
16 2011-12 and 2012-13 school years, the adjustment factor is 1.0.

17 **Sec. 514.** 2011 1st sp.s. c 50 s 516 (uncodified) is amended to
18 read as follows:

19 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

20 (1) Amounts distributed to districts by the superintendent through
21 part V of this act are for allocations purposes only and do not entitle
22 a particular district, district employee, or student to a specific
23 service, beyond what has been expressly provided in statute. Part V of
24 this act restates the requirements of various sections of Title 28A
25 RCW. If any conflict exists, the provisions of Title 28A RCW control
26 unless this act explicitly states that it is providing an enhancement.

27 Any amounts provided in part V of this act in excess of the amounts
28 required by Title 28A RCW provided in statute, are not within the
29 program of basic education.

30 (2) To the maximum extent practicable, when adopting new or revised
31 rules or policies relating to the administration of allocations in part
32 V of this act that result in fiscal impact, the office of the
33 superintendent of public instruction shall attempt to seek legislative
34 approval through the budget request process.

35 (3) Appropriations made in this act to the office of the
36 superintendent of public instruction shall initially be allotted as

1 required by this act. Subsequent allotment modifications shall not
2 include transfers of moneys between sections of this act except as
3 expressly provided in subsection (4) of this section.

4 (4) The appropriations to the office of the superintendent of
5 public instruction in this act shall be expended for the programs and
6 amounts specified in this act. However, after May 1, 2012, unless
7 specifically prohibited by this act and after approval by the director
8 of financial management, the superintendent of public instruction may
9 transfer state general fund appropriations for fiscal year 2012 among
10 the following programs to meet the apportionment schedule for a
11 specified formula in another of these programs: General apportionment;
12 employee compensation adjustments; pupil transportation; special
13 education programs; institutional education programs; transitional
14 bilingual programs; and learning assistance programs.

15 (5) The director of financial management shall notify the
16 appropriate legislative fiscal committees in writing prior to approving
17 any allotment modifications or transfers under this section.

(End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 2011 1st sp.s. c 50 s 602 (uncodified) is amended to read as follows:

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

	2011-12	2012-13
	Annual Average	Annual Average
University of Washington	((37,162)) <u>36,875</u>	((37,162)) <u>36,875</u>
Washington State University	((22,228)) <u>22,058</u>	((22,228)) <u>22,058</u>
Central Washington University	((8,808)) <u>8,711</u>	((8,808)) <u>8,711</u>
Eastern Washington University	((8,734)) <u>8,630</u>	((8,734)) <u>8,630</u>
The Evergreen State College	((4,213)) <u>4,166</u>	((4,213)) <u>4,166</u>
Western Washington University	((11,762)) <u>11,664</u>	((11,762)) <u>11,664</u>
State Board for Community & Technical Colleges		
Adult Students	((139,237)) <u>136,668</u>	((139,237)) <u>136,668</u>
Running Start Students	11,558	11,558

(2) In achieving or exceeding these enrollment targets, each institution shall seek to:

(a) Maintain and to the extent possible increase enrollment opportunities at branch campuses;

(b) Maintain and to the extent possible increase enrollment opportunities at university centers and other partnership programs that enable students to earn baccalaureate degrees on community college campuses; and

(c) Eliminate and consolidate programs of study for which there is limited student or employer demand, or that are not areas of core academic strength for the institution, particularly when such programs duplicate offerings by other in-state institutions.

1 (3) For purposes of monitoring and reporting statewide enrollment,
2 the University of Washington and Washington State University shall
3 notify the office of financial management of the number of full-time
4 student equivalent enrollments budgeted for each of their campuses.

5 **Sec. 602.** 2011 2nd sp.s. c 9 s 601 (uncodified) is amended to read
6 as follows:

7 **FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

8	General Fund--State Appropriation (FY 2012)	((\$533,009,000))
9		<u>\$515,485,000</u>
10	General Fund--State Appropriation (FY 2013)	((\$525,644,000))
11		<u>\$510,102,000</u>
12	Community/Technical College Capital Projects	
13	Account--State Appropriation	((\$8,037,000))
14		<u>\$12,793,000</u>
15	Education Legacy Trust Account--State Appropriation	\$95,370,000
16	TOTAL APPROPRIATION	((\$1,162,060,000))
17		<u>\$1,133,750,000</u>

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

20 (1) \$28,761,000 of the general fund--state appropriation for fiscal
21 year 2012 and \$28,761,000 of the general fund--state appropriation for
22 fiscal year 2013 are provided solely as special funds for training and
23 related support services, including financial aid, as specified in RCW
24 28C.04.390. Funding is provided to support at least 6,200 full-time
25 equivalent students in fiscal year 2012 and at least 6,200 full-time
26 equivalent students in fiscal year 2013.

27 (2) \$2,725,000 of the general fund--state appropriation for fiscal
28 year 2012 and \$2,725,000 of the general fund--state appropriation for
29 fiscal year 2013 are provided solely for administration and customized
30 training contracts through the job skills program. The state board
31 shall make an annual report by January 1st of each year to the governor
32 and to the appropriate policy and fiscal committees of the legislature
33 regarding implementation of this section, listing the scope of grant
34 awards, the distribution of funds by educational sector and region of
35 the state, and the results of the partnerships supported by these
36 funds.

1 (3) \$4,500,000 of the general fund--state appropriation for fiscal
2 year 2012 and \$4,500,000 of the general fund--state appropriation for
3 fiscal year 2013 is provided solely for worker retraining.

4 (4) Of the amounts appropriated in this section, \$5,000,000 is
5 provided solely for the student achievement initiative.

6 (5) When implementing the appropriations in this section, the state
7 board and the trustees of the individual community and technical
8 colleges shall minimize impact on academic programs, maximize
9 reductions in administration, and shall at least maintain, and endeavor
10 to increase, enrollment opportunities and degree and certificate
11 production in high employer-demand fields of study at their academic
12 year 2008-09 levels.

13 (6) Community and technical colleges are not required to send mass
14 mailings of course catalogs to residents of their districts. Community
15 and technical colleges shall consider lower cost alternatives, such as
16 mailing postcards or brochures that direct individuals to online
17 information and other ways of acquiring print catalogs.

18 (7) Bellevue college is authorized to offer (~~applied~~)
19 baccalaureate degrees in information technology, health care services
20 and management, biotechnology, and preprofessional preparation for
21 medical fields. These degrees shall be directed at high school
22 graduates and transfer-oriented degree and professional and technical
23 degree holders. In fiscal year 2012, Bellevue college will develop a
24 two-year plan for offering these new degrees. The plan will assume
25 funding for these new degrees shall come through redistribution of its
26 current per full-time enrollment funding. The plan shall be delivered
27 to the legislature by June 30, 2012.

28 (8) The Seattle community college district is authorized to offer
29 (~~applied~~) baccalaureate degree programs in business/international
30 business and technology management, interactive and artistic digital
31 media, sustainability, building science technology, and allied and
32 global health. These degrees shall be directed at high school
33 graduates and professional and technical degree holders. In fiscal
34 year 2012, Seattle community colleges shall develop a two-year plan for
35 offering these new degrees. The plan will assume that funding for
36 these new degrees comes through redistribution of its current per full-
37 time enrollment funding. The plan shall be delivered to the
38 legislature by June 30, 2012.

1 (9) \$100,000 of the general fund--state appropriation for fiscal
2 year 2013 is provided solely for the Jefferson education center.

3 (10) \$2,000,000 of the general fund--state appropriation for fiscal
4 year 2013 is provided solely for an expansion in enrollments in
5 science, technology, engineering, and math. Amounts provided in this
6 subsection may be used only to provide direct student services and may
7 not be used to cover other operating costs. By June 30, 2012, the
8 state board for community and technical colleges shall provide a report
9 to the legislature that provides specific detail on how these amounts
10 will be spent. Each June 30th thereafter, the state board for
11 community and technical colleges shall provide an updated report that
12 provides specific detail on how these amounts were spent in the
13 preceding twelve months.

14 (11) Amounts appropriated in this section are sufficient for the
15 state board for community and technical colleges to conduct a
16 comprehensive review of its tuition waiver policies. The resulting
17 report shall include an overview of tuition waiver uses and costs
18 (forgone revenue) and outcomes and any recommendations for changes to
19 tuition waiver policy and shall be provided to the legislature no later
20 than December 1, 2012.

21 **Sec. 603.** 2011 2nd sp.s. c 9 s 602 (uncodified) is amended to read
22 as follows:

23 **FOR THE UNIVERSITY OF WASHINGTON**

24	General Fund--State Appropriation (FY 2012)	((\$201,388,000))
25		<u>\$194,617,000</u>
26	General Fund--State Appropriation (FY 2013)	((\$206,358,000))
27		<u>\$203,269,000</u>
28	Education Legacy Trust Account--State Appropriation	\$18,579,000
29	<u>Economic Development Strategic Reserve Account--</u>	
30	<u>State Appropriation</u>	<u>\$1,500,000</u>
31	Biotoxin Account--State Appropriation	\$450,000
32	Accident Account--State Appropriation	\$6,699,000
33	Medical Aid Account--State Appropriation	\$6,502,000
34	TOTAL APPROPRIATION	((\$439,976,000))
35		<u>\$431,616,000</u>

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

1 (1) In implementing the appropriations in this section, the
2 president and regents shall seek to minimize impacts on student
3 services and instructional programs by maximizing reductions in
4 administration and other noninstructional activities.

5 (2) \$150,000 of the general fund--state appropriation for fiscal
6 year 2012 and \$150,000 of the general fund--state appropriation for
7 fiscal year 2013 are provided solely for the development of integrated
8 medical curriculum for the Washington/Wyoming/Alaska/Montana/Idaho
9 (WWAMI) medical education program in Spokane and eastern Washington.
10 Funding is contingent on appropriations being provided to Washington
11 State University for WWAMI program expansion in Spokane and eastern
12 Washington.

13 (3) \$52,000 of the general fund--state appropriation for fiscal
14 year 2012 and \$52,000 of the general fund--state appropriation for
15 fiscal year 2013 are provided solely for the center for international
16 trade in forest products in the college of forest resources.

17 (4) \$88,000 of the general fund--state appropriation for fiscal
18 year 2012 is provided solely for implementation of Engrossed Second
19 Substitute Senate Bill No. 5485 (state's natural resources). If the
20 bill is not enacted by June 30, 2011, the amount provided in this
21 subsection shall lapse.

22 (5) \$143,000 of the general fund--state appropriation for fiscal
23 year 2012 and \$144,000 of the general fund--state appropriation for
24 fiscal year 2013 are provided solely for the ongoing management of the
25 Washington park arboretum.

26 (6) \$3,800,000 of the general fund--state appropriation for fiscal
27 year 2013 is provided solely for an expansion in engineering
28 enrollments. Amounts provided in this subsection may be used only to
29 provide direct student services and may not be used to cover other
30 engineering program or university operating costs. By June 30, 2012,
31 the university shall provide a report to the legislature that provides
32 specific detail on how these amounts will be spent. Each September 1st
33 thereafter, the university shall provide an updated report that
34 provides specific detail on how these amounts were spent in the
35 preceding twelve months.

36 (7) Amounts appropriated in this section are sufficient for the
37 university to conduct a comprehensive review of its tuition waiver
38 policies. The resulting report shall include an overview of tuition

1 waiver uses and costs (forgone revenue) and outcomes and any
2 recommendations for changes to tuition waiver policy and shall be
3 provided to the legislature no later than December 1, 2012.

4 **Sec. 604.** 2011 2nd sp.s. c 9 s 603 (uncodified) is amended to read
5 as follows:

6 **FOR WASHINGTON STATE UNIVERSITY**

7	General Fund--State Appropriation (FY 2012)	((\$134,512,000))
8		<u>\$129,836,000</u>
9	General Fund--State Appropriation (FY 2013)	((\$136,087,000))
10		<u>\$135,293,000</u>
11	Education Legacy Trust Account--State Appropriation	\$33,065,000
12	TOTAL APPROPRIATION	((\$303,664,000))
13		<u>\$298,194,000</u>

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

16 (1) In implementing the appropriations in this section, the
17 president and regents shall seek to minimize impacts on student
18 services and instructional programs by maximizing reductions in
19 administration and other noninstructional activities.

20 (2) Within available funds, Washington State University shall serve
21 an additional cohort of fifteen full-time equivalent students in the
22 mechanical engineering program located at Olympic College.

23 (3) \$300,000 of the general fund--state appropriation for fiscal
24 year 2012 and \$300,000 of the general fund--state appropriation for
25 fiscal year 2013 are provided solely for the expansion of health
26 sciences capacity through the Washington/Wyoming/Alaska/Montana/Idaho
27 (WWAMI) medical education program in Spokane and eastern Washington.
28 Funding is contingent on appropriations being provided to the
29 University of Washington for integrated medical curriculum development
30 for WWAMI.

31 (4) \$3,800,000 of the general fund--state appropriation for fiscal
32 year 2013 is provided solely for an expansion in engineering
33 enrollments. Amounts provided in this subsection may be used only to
34 provide direct student services and may not be used to cover other
35 engineering program or university operating costs. By June 30, 2012,
36 the university shall provide a report to the legislature that provides
37 specific detail on how these amounts will be spent. Each June 30th

1 thereafter, the university shall provide an updated report that
2 provides specific detail on how these amounts were spent in the
3 preceding twelve months.

4 (5) Amounts appropriated in this section are sufficient for the
5 university to conduct a comprehensive review of its tuition waiver
6 policies. The resulting report shall include an overview of tuition
7 waiver uses and costs (forgone revenue) and outcomes and any
8 recommendations for changes to tuition waiver policy and shall be
9 provided to the legislature no later than December 1, 2012.

10 **Sec. 605.** 2011 2nd sp.s. c 9 s 604 (uncodified) is amended to read
11 as follows:

12 **FOR EASTERN WASHINGTON UNIVERSITY**

13	General Fund--State Appropriation (FY 2012)	((\$26,257,000))
14		<u>\$25,194,000</u>
15	General Fund--State Appropriation (FY 2013)	((\$26,541,000))
16		<u>\$25,475,000</u>
17	Education Legacy Trust Account--State Appropriation	\$16,087,000
18	TOTAL APPROPRIATION	((\$68,885,000))
19		<u>\$66,756,000</u>

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

22 (1) In implementing the appropriations in this section, the
23 president and governing board shall seek to minimize impacts on student
24 services and instructional programs by maximizing reductions in
25 administration and other noninstructional activities.

26 (2) At least \$200,000 of the general fund--state appropriation for
27 fiscal year 2012 and at least \$200,000 of the general fund--state
28 appropriation for fiscal year 2013 shall be expended on the Northwest
29 autism center.

30 (3) Amounts appropriated in this section are sufficient for the
31 university to conduct a comprehensive review of its tuition waiver
32 policies. The resulting report shall include an overview of tuition
33 waiver uses and costs (forgone revenue) and outcomes and any
34 recommendations for changes to tuition waiver policy and shall be
35 provided to the legislature no later than December 1, 2012.

1 services and instructional programs by maximizing reductions in
2 administration and other noninstructional activities.

3 (2) \$50,000 of the general fund--state appropriation for fiscal
4 year 2012 and \$25,000 of the general fund--state appropriation for
5 fiscal year 2013 are provided solely for the Washington state institute
6 for public policy to conduct a detailed study of the commitment of
7 sexually violent predators to the special commitment center pursuant to
8 chapter 71.09 RCW and the subsequent release of those persons to
9 less-restrictive alternatives.

10 (a) Specifically, the institute's study shall examine:

11 (i) The projected future demand for the special commitment center,
12 including profiles and characteristics of persons referred and
13 committed to the special commitment center since its inception, whether
14 the profiles of those persons have changed over time, and, given
15 current trends, the likelihood of the continuing rate of referral;

16 (ii) Residents' participation in treatment over time and the impact
17 of treatment on eventual release to a less-restrictive alternative;

18 (iii) The annual review process and the process for a committed
19 person to petition for conditional or unconditional release,
20 specifically:

21 (A) The time frames for conducting mandatory reviews;

22 (B) The role of the special commitment center clinical team;

23 (C) Options and standards utilized by other jurisdictions or
24 similar processes to conduct periodic reviews, including specialized
25 courts, parole boards, independent review boards, and other commitment
26 proceedings;

27 (iv) The capacity and future demand for appropriate less
28 restrictive alternatives for moving residents out of the special
29 commitment center, including:

30 (A) The capacity and demand for secure community transition
31 facilities;

32 (B) Options for specialized populations such as the elderly or
33 those with developmental disabilities and whether more cost-efficient
34 options might be used to house those populations while keeping the
35 public safe;

36 (C) Prospects for moving residents to noninstitutionalized settings
37 beyond a secure community transition facility.

1 (b) The department of social and health services shall cooperate
2 with the institute in conducting its examination and must provide the
3 institute with requested data and records in a timely manner.

4 (c) The institute shall provide a status report to the governor and
5 the legislature no later than November 1, 2011, with a final report due
6 no later than November 1, 2012.

7 (3) \$50,000 of the general fund--state appropriation for fiscal
8 year 2012 and \$50,000 of the general fund--state appropriation for
9 fiscal year 2013 are provided solely for the institute for public
10 policy to provide research support to the council on quality education.

11 (4) To the extent federal or private funding is available for this
12 purpose, the Washington state institute for public policy and the
13 center for reinventing public education at the University of Washington
14 shall examine the relationship between participation in pension systems
15 and teacher quality and mobility patterns in the state. The department
16 of retirement systems shall facilitate researchers' access to necessary
17 individual-level data necessary to effectively conduct the study. The
18 researchers shall ensure that no individually identifiable information
19 will be disclosed at any time. An interim report on project findings
20 shall be completed by November 15, 2010, and a final report shall be
21 submitted to the governor and to the relevant committees of the
22 legislature by October 15, 2011.

23 (5) Funding provided in this section is sufficient for The
24 Evergreen State College to continue operations of the Longhouse Center
25 and the Northwest Indian applied research institute.

26 (6) If, and to the extent that private funding is available for
27 this purpose, the Washington state institute for public policy shall
28 study and report on the child welfare and educational characteristics
29 and outcomes for foster youth who are served by educational advocates.
30 The department of social and health services and the office of the
31 superintendent of public instruction shall facilitate researchers'
32 access to data necessary to effectively complete the study. The
33 institute shall submit an interim report with baseline characteristics
34 of youth served by educational advocates by December 2011 and a final
35 report by October 31, 2012, to the governor and to the appropriate
36 committees of the legislature.

37 (7) \$75,000 of the general fund--state appropriation for fiscal
38 year 2012 is provided to the Washington state institute for public

1 policy (WSIPP) to conduct a review of state investments in the family
 2 caregiver and support program. Funding for this program is provided by
 3 assumed savings from diverting seniors from entering into long-term
 4 care medicaid placements by supporting informal caregivers. WSIPP
 5 shall work with the department of social and health services to
 6 establish and review outcome data for this investment. A preliminary
 7 report on the outcomes of the investment into this program is due to
 8 the appropriate legislative committees by December 15, 2011, and a
 9 final report is due to the appropriate legislative committees by August
 10 30, 2012.

11 (8) \$13,000 of the general fund--state appropriation for fiscal
 12 year 2013 is provided solely to implement Second Substitute House Bill
 13 No. 2289 (child protective services). If the bill is not enacted by
 14 June 30, 2012, the amount provided in this subsection shall lapse.

15 (9) \$50,000 of the general fund--state appropriation for fiscal
 16 year 2013 is provided solely to implement Second Substitute House Bill
 17 No. 2264 (child welfare/contracting). If the bill is not enacted by
 18 June 30, 2012, the amount provided in this subsection shall lapse.

19 (10) Amounts appropriated in this section are sufficient for the
 20 college to conduct a comprehensive review of its tuition waiver
 21 policies. The resulting report shall include an overview of tuition
 22 waiver uses and costs (forgone revenue) and outcomes and any
 23 recommendations for changes to tuition waiver policy and shall be
 24 provided to the legislature no later than December 1, 2012.

25 **Sec. 608.** 2011 2nd sp.s. c 9 s 607 (uncodified) is amended to read
 26 as follows:

27 **FOR WESTERN WASHINGTON UNIVERSITY**

28	General Fund--State Appropriation (FY 2012)	((\$33,754,000))
29		<u>\$32,756,000</u>
30	General Fund--State Appropriation (FY 2013)	((\$33,743,000))
31		<u>\$32,743,000</u>
32	Education Legacy Trust Account--State Appropriation	\$13,266,000
33	TOTAL APPROPRIATION	((\$80,763,000))
34		<u>\$78,765,000</u>

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

(1) In implementing the appropriations in this section, the president and governing board shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other noninstructional activities.

(2) Amounts appropriated in this section are sufficient for the university to conduct a comprehensive review of its tuition waiver policies. The resulting report shall include an overview of tuition waiver uses and costs (forgone revenue) and outcomes and any recommendations for changes to tuition waiver policy and shall be provided to the legislature no later than December 1, 2012.

NEW SECTION. Sec. 609. 2011 2nd sp.s. c 9 s 610 (uncodified) and 2011 1st sp.s. c 50 s 614 (uncodified) are repealed.

NEW SECTION. Sec. 610. 2011 2nd sp.s. c 9 s 611 (uncodified) and 2011 1st sp.s. c 50 s 615 (uncodified) are repealed.

NEW SECTION. Sec. 611. A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

FOR THE OFFICE OF THE STUDENT ACHIEVEMENT COUNCIL--POLICY COORDINATION AND ADMINISTRATION

General Fund--State Appropriation (FY 2013)	\$8,930,000
General Fund--Federal Appropriation	\$2,377,000
TOTAL APPROPRIATION	\$11,307,000

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

(1) The office of the student achievement council is authorized to increase or establish fees for initial degree authorization, degree authorization renewal, degree authorization reapplication, new program applications, and new site applications pursuant to RCW 28B.85.060.

(2) \$600,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for the implementation of House Bill No. 2483 (increasing educational attainment). If the bill is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

(3) \$4,400,000 of the general fund--federal appropriation for fiscal year 2013 is provided solely for the STEM degree incentive program. The office of the student achievement council shall, by September 1, 2012, award these funds on a competitive basis to the

1 public baccalaureate institution or institutions that demonstrate the
2 greatest capacity to efficiently produce quality graduates in science
3 technology engineering and math (STEM). Before receiving an award
4 under this program, each recipient institution must provide a
5 comprehensive plan which demonstrates that amounts received will be
6 used only for incremental STEM degree production and not for general
7 operating purposes.

8 NEW SECTION. **Sec. 612.** A new section is added to 2011 1st sp.s.
9 c 50 (uncodified) to read as follows:

10 **FOR THE OFFICE OF THE STUDENT ACHIEVEMENT COUNCIL--OFFICE OF STUDENT**
11 **FINANCIAL ASSISTANCE**

12	General Fund--State Appropriation (FY 2013)	\$236,989,000
13	General Fund--Federal Appropriation	\$5,816,000
14	Washington Opportunity Pathways Account--State	
15	Appropriation	\$73,500,000
16	TOTAL APPROPRIATION	\$316,305,000

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

19 (1) \$227,018,000 of the general fund--state appropriation for
20 fiscal year 2013, and \$73,500,000 of the opportunity pathways account--
21 state appropriation are provided solely for student financial aid
22 payments under the state need grant and the state work study programs
23 including up to a four percent administrative allowance for the state
24 work study program.

25 (2) Within the funds appropriated in this section, eligibility for
26 the state need grant shall include students with family incomes at or
27 below 70 percent of the state median family income (MFI), adjusted for
28 family size, and shall include students enrolled in three to five
29 credit-bearing quarter credits, or the equivalent semester credits.
30 The office of student financial assistance shall report to the
31 legislature by December 1, 2013, regarding the number of students
32 enrolled in three to five credit-bearing quarter credits, or the
33 equivalent semester credits, and their academic progress including
34 degree completion. Awards for all students shall be adjusted by the
35 estimated amount by which Pell grant increases exceed projected
36 increases in the noninstructional costs of attendance. Students with
37 incomes between zero and 50 percent of the MFI shall receive 96.5

1 percent of the maximum award. Awards for students with incomes between
2 51 and 70 percent of the state median shall be prorated at the
3 following percentages of the award amount granted to those with incomes
4 below 51 percent of the MFI: 67.5 percent for students with family
5 incomes between 51 and 55 percent MFI; 63 percent for students with
6 family incomes between 56 and 60 percent MFI; 58 percent for students
7 with family incomes between 61 and 65 percent MFI; and 48 percent for
8 students with family incomes between 66 and 70 percent MFI.

9 (3) \$1,250,000 of the general fund--state appropriation for fiscal
10 year 2013 is provided solely for implementation of the aerospace
11 training scholarship and student loan program as specified in Engrossed
12 Substitute House Bill No. 1846 (aerospace student loans). If the bill
13 is not enacted by June 30, 2012, the amount provided in this subsection
14 shall lapse.

15 (4) For fiscal year 2013, the board shall defer loan or conditional
16 scholarship repayments to the future teachers conditional scholarship
17 and loan repayment program for up to one year for each participant if
18 the participant has shown evidence of efforts to find a teaching job
19 but has been unable to secure a teaching job per the requirements of
20 the program.

21 (5) \$1,000,000 of the education legacy trust account--state
22 appropriation is provided solely for the gaining early awareness and
23 readiness for undergraduate programs project.

24 (6) \$1,500,000 of the general fund--state appropriation for fiscal
25 year 2013 is provided solely for the leadership 1000 program.

26 (7) \$2,436,000 of the general fund--state appropriation for fiscal
27 year 2013 is provided solely for the passport to college program. The
28 maximum scholarship award shall be \$5,000. The board shall contract
29 with a nonprofit organization to provide support services to increase
30 student completion in their postsecondary program and shall, under this
31 contract, provide a minimum of \$500,000 in fiscal year 2013 for this
32 purpose.

33 (8) In addition to the entities listed in RCW 28B.122.010, the
34 aerospace student loan program may provide loans to students attending
35 an aerospace training program at Renton technical college.

36 (9) The department of health and office of the student achievement
37 council shall consider a shortage of psychiatrists at state mental
38 health facilities to be a health professional shortage area.

1 Consequently, psychiatrists working at state mental health facilities
2 qualify for awards from available funds in the health professional loan
3 repayment and scholarship program fund. Within available amounts in
4 the fund, the psychiatrists described in this subsection shall receive
5 priority funding for loan repayments and scholarships.

6 **Sec. 613.** 2011 1st sp.s. c 50 s 616 (uncodified) is amended to
7 read as follows:

8 **FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD**

9	General Fund--State Appropriation (FY 2012)	((\$1,382,000))
10		<u>\$1,312,000</u>
11	General Fund--State Appropriation (FY 2013)	((\$1,388,000))
12		<u>\$1,655,000</u>
13	General Fund--Federal Appropriation	\$62,758,000
14	TOTAL APPROPRIATION	((\$65,528,000))
15		<u>\$65,725,000</u>

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

18 (1) For the 2011-2013 fiscal biennium the board shall not designate
19 recipients of the Washington award for vocational excellence or
20 recognize them at award ceremonies as provided in RCW 28C.04.535.

21 (2) \$205,000 of the general fund--state appropriation for fiscal
22 year 2013 is provided solely for the implementation of Second
23 Substitute House Bill No. 2170 (career pathways act). If the bill is
24 not enacted by June 30, 2012, the amount provided in this subsection
25 shall lapse.

26 (3) \$131,000 of the general fund--state appropriation for fiscal
27 year 2013 is provided solely for the implementation of Second
28 Substitute House Bill No. 2156 (workforce training/aerospace). If the
29 bill is not enacted by June 30, 2012, the amount provided in this
30 subsection shall lapse.

31 **Sec. 614.** 2011 2nd sp.s. c 9 s 612 (uncodified) is amended to read
32 as follows:

33 **FOR THE DEPARTMENT OF EARLY LEARNING**

34	General Fund--State Appropriation (FY 2012)	((\$27,571,000))
35		<u>\$26,338,000</u>
36	General Fund--State Appropriation (FY 2013)	((\$27,558,000))

1		<u>\$27,476,000</u>
2	General Fund--Federal Appropriation	((\$261,753,000))
3		<u>\$280,084,000</u>
4	Opportunity Pathways Account--State Appropriation . . .	((\$80,000,000))
5		<u>\$78,000,000</u>
6	TOTAL APPROPRIATION	((\$396,882,000))
7		<u>\$411,898,000</u>

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

10 (1) \$16,028,000 of the general fund--state appropriation for fiscal
11 year 2012, (~~(\$16,028,000)~~) \$18,028,000 of the general fund--state
12 appropriation of fiscal year 2013, (~~(\$80,000,000)~~) \$78,000,000 of the
13 opportunity pathways account appropriation, and \$2,256,000 of the
14 general fund--federal appropriation are provided solely for the early
15 childhood education assistance program services. Of these amounts,
16 \$10,284,000 is a portion of the biennial amount of state maintenance of
17 effort dollars required to receive federal child care and development
18 fund grant dollars.

19 (2) In accordance to RCW 43.215.255(2) and 43.135.055, the
20 department is authorized to increase child care center and child care
21 family home licensure fees in fiscal years 2012 and 2013 for costs to
22 the department for the licensure activity, including costs of necessary
23 inspection. These increases are necessary to support expenditures
24 authorized in this section.

25 (3) \$638,000 of the general fund--state appropriation for fiscal
26 year 2012 and \$638,000 of the general fund--state appropriation for
27 fiscal year 2013 are provided solely for child care resource and
28 referral network services.

29 (4) \$200,000 of the general fund--state appropriation for fiscal
30 year 2012 and \$200,000 of the general fund--state appropriation for
31 fiscal year 2013 are provided solely to develop and provide culturally
32 relevant supports for parents, family, and other caregivers.

33 (5) The department is the lead agency for and recipient of the
34 federal child care and development fund grant. Amounts within this
35 grant shall be used to fund child care licensing, quality initiatives,
36 agency administration, and other costs associated with child care
37 subsidies. The department shall transfer a portion of this grant to

1 the department of social and health services to fund the child care
2 subsidies paid by the department of social and health services on
3 behalf of the department of early learning.

4 (6) The appropriations in this section reflect reductions in the
5 appropriations for the department's administrative expenses. It is the
6 intent of the legislature that these reductions shall be achieved, to
7 the greatest extent possible, by reducing those administrative costs
8 that do not affect direct client services or direct service delivery or
9 program.

10 (7) \$934,000 of the general fund--state appropriation for fiscal
11 year 2012, \$934,000 of the general fund--state appropriation for fiscal
12 year 2013, and \$2,400,000 of the general fund--federal appropriation
13 are provided solely for expenditure into the home visiting services
14 account. This funding is intended to meet federal maintenance of
15 effort requirements and to secure private matching funds.

16 (8) In addition to groups that were given prioritized access to the
17 working connections child care program effective March 1, 2011, the
18 department shall also give prioritized access into the program to
19 families in which a parent of a child in care is a minor who is not
20 living with a parent or guardian and who is a full-time student in a
21 high school that has a school-sponsored on-site child care center.

22 (9) Within available amounts, the department in consultation with
23 the office of financial management and the department of social and
24 health services shall report quarterly enrollments and active caseload
25 for the working connections child care program to the legislative
26 fiscal committees. The report shall also identify the number of cases
27 participating in both temporary assistance for needy families and
28 working connections child care.

29 (10) \$2,522,000 of the general fund--state appropriation for fiscal
30 year 2012, \$2,522,000 of the general fund--state appropriation for
31 fiscal year 2013, and \$4,304,000 of the general fund--federal
32 appropriation are provided solely for the medicaid treatment child care
33 (MTCC) program. The department shall contract for MTCC services to
34 provide therapeutic child care and other specialized treatment services
35 to abused, neglected, at-risk, and/or drug-affected children. Priority
36 for services shall be given to children referred from the department of
37 social and health services children's administration. In addition to
38 referrals made by children's administration, the department shall

1 authorize services for children referred to the MTCC program, as long
2 as the children meet the eligibility requirements as outlined in the
3 Washington state plan for the MTCC program. Of the amounts
4 appropriated in this subsection, \$60,000 per fiscal year may be used by
5 the department for administering the MTCC program, if needed.

6 **Sec. 615.** 2011 2nd sp.s. c 9 s 613 (uncodified) is amended to read
7 as follows:

8 **FOR THE STATE SCHOOL FOR THE BLIND**

9	General Fund--State Appropriation (FY 2012)	\$5,782,000
10	General Fund--State Appropriation (FY 2013)	(\$5,749,000)
11		<u>\$5,461,000</u>
12	((General Fund--Private/Local Appropriation	\$1,961,000))
13	TOTAL APPROPRIATION	(\$13,492,000)
14		<u>\$11,243,000</u>

15 ~~((The appropriations in this section are subject to the following
16 conditions and limitations: \$271,000 of the general fund--
17 private/local appropriation is provided solely for the school for the
18 blind to offer short course programs, allowing students the opportunity
19 to leave their home schools for short periods and receive intensive
20 training. The school for the blind shall provide this service to the
21 extent that it is funded by contracts with school districts and
22 educational services districts.))~~

23 **Sec. 616.** 2011 2nd sp.s. c 9 s 614 (uncodified) is amended to read
24 as follows:

25 **FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING**
26 **LOSS**

27	General Fund--State Appropriation (FY 2012)	\$8,449,000
28	General Fund--State Appropriation (FY 2013)	(\$8,446,000)
29		<u>\$8,041,000</u>
30	((General Fund--Private/Local Appropriation	\$526,000))
31	TOTAL APPROPRIATION	(\$17,421,000)
32		<u>\$16,490,000</u>

(End of part)

PART VII

SPECIAL APPROPRIATIONS

Sec. 701. 2011 2nd sp.s. c 9 s 701 (uncodified) is amended to read as follows:

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

Table with 2 columns: Description and Amount. Rows include General Fund--State Appropriation (FY 2012), General Fund--State Appropriation (FY 2013), State Building Construction Account--State Appropriation, Columbia River Basin Water Supply Development Account--State Appropriation, Hood Canal Aquatic Rehabilitation Bond Account--State Appropriation, State Taxable Building Construction Account--State Appropriation, Gardner-Evans Higher Education Construction Account--State Appropriation, Debt-Limit Reimbursable Bond Retire Account--State Appropriation, and TOTAL APPROPRIATION.

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for expenditure into the debt-limit general fund bond retirement account. The entire general fund--state appropriation for fiscal year 2012 shall be expended into the debt-limit general fund bond retirement account by June 30, 2012.

Sec. 702. 2011 2nd sp.s. c 9 s 702 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING

1 **BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO**
2 **BE REIMBURSED AS PRESCRIBED BY STATUTE**

3	General Fund--State Appropriation (FY 2012)	((\$27,516,000))
4		<u>\$27,400,000</u>
5	General Fund--State Appropriation (FY 2013)	((\$30,758,000))
6		<u>\$30,572,000</u>
7	Nondebt-Limit Reimbursable Bond Retirement	
8	Account--State Appropriation	\$140,128,000
9	TOTAL APPROPRIATION	((\$198,402,000))
10		<u>\$198,100,000</u>

11 The appropriations in this section are subject to the following
12 conditions and limitations: The general fund appropriation is for
13 expenditure into the nondebt-limit general fund bond retirement
14 account. The entire general fund--state appropriation for fiscal year
15 2012 shall be expended into the nondebt-limit general fund bond
16 retirement account by June 30, 2012.

17 NEW SECTION. **Sec. 703.** A new section is added to 2011 1st sp.s.
18 c 50 (uncodified) to read as follows:

19 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--REVISED EMPLOYER HEALTH**
20 **BENEFIT RATES**

21	General Fund--State Appropriation (FY 2013)	(\$32,946,000)
22	General Fund--Federal Appropriation	(\$4,720,000)
23	General Fund--Local Appropriation	(\$518,000)
24	Education Legacy Trust Account--State Appropriation	(\$178,000)
25	Dedicated Funds and Accounts Appropriation	(\$7,684,000)
26	TOTAL APPROPRIATION	(\$46,046,000)

27 The appropriations in this section are subject to the following
28 conditions and limitations: Appropriations are adjusted to reflect
29 changes to appropriations to reflect the change in the employer funding
30 rate providing employee health and insurance coverage for fiscal year
31 2013 from \$850 to \$800 per estimated eligible employee per month. The
32 office of financial management shall update agency appropriations
33 schedules to reflect the changes in funding levels in this section as
34 identified by agency and fund in LEAP document H-HB1 dated February 17,
35 2012. From the applicable accounts, the office of financial management
36 shall adjust allotments to the respective agencies by an amount that

1 conforms with funding adjustments enacted in the 2012 supplemental
 2 omnibus operating appropriations act. Any allotment reductions under
 3 this section must be placed in reserve status and remain unexpended.

4 **Sec. 704.** 2011 1st sp.s. c 50 s 712 (uncodified) is amended to
 5 read as follows:

6 **FOR THE DEPARTMENT OF HEALTH--COUNTY PUBLIC HEALTH ASSISTANCE**

7	General Fund--State Appropriation (FY 2012)	\$24,000,000
8	General Fund--State Appropriation (FY 2013)	(((\$24,000,000))
9		<u>\$12,000,000</u>
10	TOTAL APPROPRIATION	(((\$48,000,000))
11		<u>\$36,000,000</u>

12 The appropriations in this section are subject to the following
 13 conditions and limitations: The director of the department of health
 14 shall distribute the appropriations to the following counties and
 15 health districts in the amounts designated to support public health
 16 services, including public health nursing:

17	Health District	FY 2012	FY 2013	FY 2011-13
18				Biennium
19	Adams County Health District	\$30,951	(((\$30,951))	(((\$61,902))
20			<u>\$15,476</u>	<u>\$46,427</u>
21	Asotin County Health District	\$67,714	(((\$67,714))	(((\$135,428))
22			<u>\$33,857</u>	<u>\$101,571</u>
23	Benton-Franklin Health District	\$1,165,612	(((\$1,165,612))	(((\$2,331,224))
24			<u>\$582,806</u>	<u>\$1,748,418</u>
25	Chelan-Douglas Health District	\$184,761	(((\$184,761))	(((\$369,522))
26			<u>\$92,381</u>	<u>\$277,142</u>
27	Clallam County Health and Human Services	\$141,752	(((\$141,752))	(((\$283,504))
28	Department		<u>\$70,876</u>	<u>\$212,628</u>
29	Clark County Health District	\$1,057,792	(((\$1,057,792))	(((\$2,115,594))
30			<u>\$528,896</u>	<u>\$1,586,688</u>
31	Skamania County Health Department	\$26,681	(((\$26,681))	(((\$53,362))
32			<u>\$13,341</u>	<u>\$40,022</u>
33	Columbia County Health District	\$40,529	(((\$40,529))	(((\$81,058))
34			<u>\$20,265</u>	<u>\$60,794</u>

1	Cowlitz County Health Department	\$278,560	((\$278,560))	((\$557,120))
2			<u>\$139,280</u>	<u>\$417,840</u>
3	Garfield County Health District	\$15,028	((\$15,028))	((\$30,056))
4			<u>\$7,514</u>	<u>\$22,542</u>
5	Grant County Health District	\$118,595	((\$118,596))	((\$237,191))
6			<u>\$59,298</u>	<u>\$177,893</u>
7	Grays Harbor Health Department	\$183,870	((\$183,870))	((\$367,740))
8			<u>\$91,935</u>	<u>\$275,805</u>
9	Island County Health Department	\$91,892	((\$91,892))	((\$183,784))
10			<u>\$45,946</u>	<u>\$137,838</u>
11	Jefferson County Health and Human Services	\$85,782	((\$85,782))	((\$171,564))
12			<u>\$42,891</u>	<u>\$128,673</u>
13	Seattle-King County Department of Public Health	\$9,531,747	((\$9,531,747))	((\$19,063,494))
14			<u>\$4,765,874</u>	<u>\$14,297,621</u>
15	Bremerton-Kitsap County Health District	\$554,669	((\$554,669))	((\$1,109,338))
16			<u>\$277,335</u>	<u>\$832,004</u>
17	Kittitas County Health Department	\$92,499	((\$92,499))	((\$184,998))
18			<u>\$46,250</u>	<u>\$138,749</u>
19	Klickitat County Health Department	\$62,402	((\$62,402))	((\$124,804))
20			<u>\$31,201</u>	<u>\$93,603</u>
21	Lewis County Health Department	\$105,801	((\$105,801))	((\$211,602))
22			<u>\$52,901</u>	<u>\$158,702</u>
23	Lincoln County Health Department	\$29,705	((\$29,705))	((\$59,410))
24			<u>\$14,853</u>	<u>\$44,558</u>
25	Mason County Department of Health Services	\$95,988	((\$95,988))	((\$191,976))
26			<u>\$47,994</u>	<u>\$143,982</u>
27	Okanogan County Health District	\$63,458	((\$63,458))	((\$126,916))
28			<u>\$31,729</u>	<u>\$95,187</u>
29	Pacific County Health Department	\$77,427	((\$77,427))	((\$154,854))
30			<u>\$38,714</u>	<u>\$116,141</u>
31	Tacoma-Pierce County Health Department	\$2,820,590	((\$2,820,590))	((\$5,641,180))
32			<u>\$1,410,295</u>	<u>\$4,230,885</u>
33	San Juan County Health and Community Services	\$37,531	((\$37,531))	((\$75,062))
34			<u>\$18,766</u>	<u>\$56,297</u>
35	Skagit County Health Department	\$223,927	((\$223,927))	((\$447,854))
36			<u>\$111,964</u>	<u>\$335,891</u>

1	Snohomish Health District	\$2,258,207	((\$2,258,207))	((\$4,516,414))
2			<u>\$1,129,104</u>	<u>\$3,387,311</u>
3	Spokane County Health District	\$2,101,429	((\$2,101,429))	((\$4,202,858))
4			<u>\$1,050,715</u>	<u>\$3,152,144</u>
5	Northeast Tri-County Health District	\$110,454	((\$110,454))	((\$220,908))
6			<u>\$55,227</u>	<u>\$165,681</u>
7	Thurston County Health Department	\$600,419	((\$600,419))	((\$1,200,838))
8			<u>\$300,210</u>	<u>\$900,629</u>
9	Wahkiakum County Health Department	\$13,773	((\$13,772))	((\$27,545))
10			<u>\$6,886</u>	<u>\$20,659</u>
11	Walla Walla County-City Health Department	\$172,062	((\$172,062))	((\$344,124))
12			<u>\$86,031</u>	<u>\$258,093</u>
13	Whatcom County Health Department	\$855,863	((\$855,863))	((\$1,711,726))
14			<u>\$427,932</u>	<u>\$1,283,795</u>
15	Whitman County Health Department	\$78,733	((\$78,733))	((\$157,466))
16			<u>\$39,367</u>	<u>\$118,100</u>
17	Yakima Health District	\$623,797	((\$623,797))	((\$1,247,594))
18			<u>\$311,899</u>	<u>\$935,696</u>
19	TOTAL APPROPRIATIONS	\$24,000,000	((\$24,000,000))	((\$48,000,000))
20			<u>\$12,000,000</u>	<u>\$36,000,000</u>

21 **Sec. 705.** 2011 1st sp.s. c 50 s 714 (uncodified) is amended to
22 read as follows:

23 **BELATED CLAIMS**

24 The agencies and institutions of the state may expend moneys
25 appropriated in this act, upon approval of the office of financial
26 management, for the payment of supplies and services furnished to the
27 agency or institution in prior fiscal biennia.

28 **Sec. 706.** 2011 1st sp.s. c 50 s 715 (uncodified) is amended to
29 read as follows:

30 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EXTRAORDINARY CRIMINAL JUSTICE**
31 **COSTS**

32 General Fund--State Appropriation (FY 2012) ((~~\$591,000~~))
33 \$1,102,000

34 The appropriation in this section is subject to the following
35 conditions and limitations: The director of financial management shall
36 distribute ((~~\$338,000~~)) \$501,000 to Franklin county, \$128,000 to

1 Jefferson county, ((and)) \$125,000 to Okanogan county, \$161,000 to
2 Yakima county, and \$187,000 to King county for extraordinary criminal
3 justice costs.

4 NEW SECTION. Sec. 707. 2011 2nd sp.s. c 9 s 705 (uncodified) is
5 repealed.

6 **Sec. 708.** 2011 2nd sp.s. c 9 s 707 (uncodified) is amended to read
7 as follows:

8 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--PERSONNEL SERVICES**
9 ((From appropriations to state agencies for the 2011-2013 fiscal
10 biennium, the office of financial management shall reduce general
11 fund state allotments by \$9,537,000 for fiscal year 2013 to reflect
12 reduced billings and related charges to client agencies for central
13 personnel services, pursuant to allotment schedules prepared by the
14 office of financial management. The allotment reductions under this
15 section shall be placed in unallotted status and remain unexpended.))
16 General Fund--State Appropriation (FY 2012) (\$745,000)
17 General Fund--State Appropriation (FY 2013) (\$763,000)
18 Other Appropriated Funds (\$1,176,000)
19 TOTAL APPROPRIATION (\$2,684,000)

20 The appropriations in this section are solely for the purposes
21 designated in this section and are subject to the following conditions
22 and limitations:

- 23 (1) Appropriations are adjusted to reflect adjustments in funding
24 for charges associated with a personnel services rate reduction.
25 (2) The office of financial management shall update agency
26 appropriation schedules to reflect the changes to funding levels in
27 this section as identified by agency and in the amounts specified in
28 LEAP Document GLP-2012 dated February 18, 2012.

29 NEW SECTION. Sec. 709. A new section is added to 2011 1st sp.s.
30 c 50 (uncodified) to read as follows:

31 **FOR THE DEPARTMENT OF NATURAL RESOURCES--DISTRIBUTION OF EXCESS FUNDS**
32 **FROM THE FOREST DEVELOPMENT ACCOUNT**

33 Forest Development Account--State Appropriation \$10,000,000

34 The appropriation in this section is provided solely for

1 distribution of state forest land revenues to taxing authorities that
2 received such revenue from fiscal year 2002 through fiscal year 2011
3 and is subject to the following conditions and limitations:

4 (1) Within fifteen days of the effective date of this section, the
5 department shall transmit funds in the amounts specified in subsection
6 (3) of this section to the county treasurers of the counties receiving
7 the funds.

8 (2) The county treasurers of the counties listed in this section
9 shall distribute funds received from this appropriation to taxing
10 authorities in proportion to the state forest transfer land funds
11 distributed to the taxing authorities based on information available
12 for the fiscal years 2002 through 2011. Funds to be credited to the
13 state of Washington and funds credited to school district general
14 levies shall be remitted to the state of Washington within thirty days
15 after the effective date of this section for deposit into the state
16 general fund.

17 (3) Funds shall be distributed in the following amounts:

18	Clallam	\$848,854
19	Clark	\$630,368
20	Cowlitz	\$418,159
21	Grays Harbor	\$266,365
22	Jefferson	\$239,722
23	King	\$328,725
24	Kitsap	\$73,839
25	Klickitat	\$197,968
26	Lewis	\$887,679
27	Mason	\$425,935
28	Okanogan	\$4
29	Pacific	\$352,540
30	Pierce	\$334,179
31	Skagit	\$1,534,497
32	Skamania	\$66,648
33	Snohomish	\$1,565,549
34	Stevens	\$6,709
35	Thurston	\$783,735

1	Wahkiakum	\$285,339
2	Whatcom	\$753,186
3	Total	\$10,000,000

4 NEW SECTION. **Sec. 710.** A new section is added to 2011 1st sp.s.
5 c 50 (uncodified) to read as follows:

6 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--CENTRAL SERVICE CHARGES**
7 **ADJUSTMENTS**

8	General Fund--State Appropriation (FY 2012)	(\$702,000)
9	General Fund--State Appropriation (FY 2013)	(\$1,410,000)
10	Other Appropriated Funds	(\$3,222,000)
11	TOTAL APPROPRIATION	(\$5,334,000)

12 The appropriations in this section are solely for the purposes
13 designated in this section and are subject to the following conditions
14 and limitations:

15 (1) Appropriations are adjusted to reflect adjustments in funding
16 for charges associated with central services.

17 (2) The office of financial management shall update agency
18 appropriation schedules to reflect the changes to funding levels in
19 this section as identified by agency and in the amounts specified in
20 LEAP Document 92A-2012 dated February 18, 2012.

21 NEW SECTION. **Sec. 711.** A new section is added to 2011 1st sp.s.
22 c 50 (uncodified) to read as follows:

23 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--AUDIT SERVICES ADJUSTMENTS**

24	General Fund--State Appropriation (FY 2012)	(\$169,000)
25	General Fund--State Appropriation (FY 2013)	(\$341,000)
26	Other Appropriated Funds	\$208,000
27	TOTAL APPROPRIATION	(\$302,000)

28 The appropriations in this section are solely for the purposes
29 designated in this section and are subject to the following conditions
30 and limitations:

31 (1) Appropriations are adjusted to reflect adjustments in funding
32 for charges associated with audit services.

33 (2) The office of financial management shall update agency
34 appropriation schedules to reflect the changes to funding levels in

1 this section as identified by agency and in the amounts specified in
2 LEAP Document 92B-2012 dated February 18, 2012.

3 NEW SECTION. **Sec. 712.** A new section is added to 2011 1st sp.s.
4 c 50 (uncodified) to read as follows:

5 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--LEGAL SERVICES REDUCTION**

6	General Fund--State Appropriation (FY 2012)	(\$896,000)
7	General Fund--State Appropriation (FY 2013)	(\$1,805,000)
8	Other Appropriated Funds	(\$4,918,000)
9	TOTAL APPROPRIATION	(\$7,619,000)

10 The appropriations in this section are solely for the purposes
11 designated in this section and are subject to the following conditions
12 and limitations:

13 (1) Appropriations are adjusted to reflect savings associated with
14 a reduction in expenditures related to legal services.

15 (2) The office of financial management shall update agency
16 appropriation schedules to reflect the changes to funding levels in
17 this section as identified by agency and in the amounts specified in
18 LEAP Document 92C-2012 dated February 18, 2012.

19 NEW SECTION. **Sec. 713.** A new section is added to 2011 1st sp.s.
20 c 50 (uncodified) to read as follows:

21 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--ARCHIVE SERVICES REDUCTION**

22	General Fund--State Appropriation (FY 2012)	(\$110,000)
23	General Fund--State Appropriation (FY 2013)	(\$229,000)
24	Other Appropriated Funds	(\$244,000)
25	TOTAL APPROPRIATION	(\$583,000)

26 The appropriations in this section are solely for the purposes
27 designated in this section and are subject to the following conditions
28 and limitations:

29 (1) Appropriations are adjusted to reflect savings associated with
30 a reduction in expenditures related to archive services.

31 (2) The office of financial management shall update agency
32 appropriation schedules to reflect the changes to funding levels in
33 this section as identified by agency and in the amounts specified in
34 LEAP Document 92D-2012 dated February 18, 2012.

1 NEW SECTION. Sec. 714. A new section is added to 2011 1st sp.s.
2 c 50 (uncodified) to read as follows:

3 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--CENTRAL SERVICE SAVINGS**

4 General Fund--State Appropriation (FY 2012)	(\$62,000)
5 General Fund--State Appropriation (FY 2013)	(\$127,000)
6 Other Appropriated Funds	(\$207,000)
7 TOTAL APPROPRIATION	(\$396,000)

8 The appropriations in this section are solely for the purposes
9 designated in this section and are subject to the following conditions
10 and limitations:

- 11 (1) Appropriations are adjusted to reflect savings associated with
12 a reduction in billing to various state agencies for central services.
- 13 (2) The office of financial management shall update agency
14 appropriation schedules to reflect the changes to funding levels in
15 this section as identified by agency and in the amounts specified in
16 LEAP Document 92E-2012 dated February 18, 2012.

17 NEW SECTION. Sec. 715. A new section is added to 2011 1st sp.s.
18 c 50 (uncodified) to read as follows:

19 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--CENTRAL SERVICE REDUCTIONS**

20 General Fund--State Appropriation (FY 2012)	(\$117,000)
21 General Fund--State Appropriation (FY 2013)	(\$425,000)
22 Other Appropriated Funds	(\$836,000)
23 TOTAL APPROPRIATION	(\$1,378,000)

24 The appropriations in this section are solely for the purposes
25 designated in this section and are subject to the following conditions
26 and limitations:

- 27 (1) Appropriations are adjusted to reflect savings associated with
28 a reduction to various state agencies for services provided by the
29 office of administrative hearings, the minority and women's business
30 enterprises, and the office of financial management.
- 31 (2) The office of financial management shall update agency
32 appropriation schedules to reflect the changes to funding levels in
33 this section as identified by agency and in the amounts specified in
34 LEAP Document CNT-2012 dated February 18, 2012.

35 NEW SECTION. Sec. 716. A new section is added to 2011 1st sp.s.
36 c 50 (uncodified) to read as follows:

1 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--CONSOLIDATED TECHNOLOGY**
2 **SERVICES**

3 General Fund--State Appropriation (FY 2012) (\$884,000)
4 General Fund--State Appropriation (FY 2013) (\$3,544,000)
5 Other Appropriated Funds (\$5,503,000)
6 TOTAL APPROPRIATION (\$9,931,000)

7 The appropriations in this section are solely for the purposes
8 designated in this section and are subject to the following conditions
9 and limitations:

10 (1) Appropriations are adjusted to reflect savings associated with
11 consolidated technology services.

12 (2) The office of financial management shall update agency
13 appropriation schedules to reflect the changes to funding levels in
14 this section as identified by agency and in the amounts specified in
15 LEAP Document CTS-2012 dated February 18, 2012.

16 NEW SECTION. **Sec. 717.** A new section is added to 2011 1st sp.s.
17 c 50 (uncodified) to read as follows:

18 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--ENTERPRISE SERVICES**

19 General Fund--State Appropriation (FY 2013) (\$3,175,000)
20 Other Appropriated Funds (\$1,755,000)
21 TOTAL APPROPRIATION (\$4,930,000)

22 The appropriations in this section are solely for the purposes
23 designated in this section and are subject to the following conditions
24 and limitations:

25 (1) Appropriations are adjusted to reflect savings associated with
26 a reduction in expenditures related to printing, bulk mail, and the
27 operation of the state motor pool.

28 (2) The office of financial management shall update agency
29 appropriation schedules to reflect the changes to funding levels in
30 this section as identified by agency and in the amounts specified in
31 LEAP Document DES-2012 dated February 18, 2012.

32 NEW SECTION. **Sec. 718.** A new section is added to 2011 1st sp.s.
33 c 50 (uncodified) to read as follows:

34 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--INFORMATION TECHNOLOGY**

35 General Fund--State Appropriation (FY 2013) (\$8,118,000)

1 The appropriation in this section is solely for the purposes
2 designated in this section and are subject to the following conditions
3 and limitations:

4 (1) Appropriations are adjusted to reflect savings associated with
5 a reduction in expenditures related to information technology.

6 (2) The office of financial management shall update agency
7 appropriation schedules to reflect the changes to funding levels in
8 this section as identified by agency and in the amounts specified in
9 LEAP Document IT1-2012 dated February 18, 2012.

10 (3) For agencies with appropriations from accounts other than the
11 general fund--state, the office of financial management shall work with
12 agencies to achieve similar savings in other accounts.

13 NEW SECTION. **Sec. 719.** A new section is added to 2011 1st sp.s.
14 c 50 (uncodified) to read as follows:

15 **FOR SUNDRY CLAIMS**

16 The following sums, or so much thereof as may be necessary, are
17 appropriated from the general fund, unless otherwise indicated, for
18 relief of various individuals, firms, and corporations for sundry
19 claims. These appropriations are to be disbursed on vouchers approved
20 by the director of financial management, except as otherwise provided,
21 for reimbursement of criminal defendants acquitted on the basis of
22 self-defense, pursuant to RCW 9A.16.110, as follows:

- 23 (1) Clint L. Powell, Jr., claim number 99970048 \$58,155.10
24 (2) Chance L. Hawkins, claim number 99970049 \$28,838.95
25 (3) Edgar L. Hawkins, claim number 99970050 \$25,507.00
26 (4) James Abbott, claim number 99970051 \$9,880.00
27 (5) Richard Frisk, claim number 99970052 \$32,788.50
28 (6) Brian Barnd-Spjut, claim number 99970053 \$122,821.79

29 NEW SECTION. **Sec. 720.** A new section is added to 2011 1st sp.s.
30 c 50 (uncodified) to read as follows:

31 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--LOCAL GOVERNMENT CONTINGENCY**

32 Local Government Contingency

33 Account--State Appropriation \$7,190,000

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

1 (1) The director of the office of financial management may
2 distribute one-time grants to a county or city if a city or county
3 meets the following criteria: (a) The city or county has imposed the
4 local option sales tax under House Bill No. . . . (H-4386); and (b) the
5 city or county demonstrates that critical services cannot be maintained
6 without one-time grant funding.

7 (2) The amounts provided in grants to a city or county under this
8 section shall not exceed any net reductions in revenues to that city or
9 county under House Bill No. . . . (H-4386).

10 (3) If House Bill No. . . . (H-4386) is not enacted by June 30,
11 2012, the amount in this section shall lapse.

12 NEW SECTION. **Sec. 721.** A new section is added to 2011 1st sp.s.
13 c 50 (uncodified) to read as follows:

14 **FOR THE STATE TREASURER--LOCAL PUBLIC HEALTH DISTRICT DISTRIBUTION**

15 Local Public Health District

16 Account--State Appropriation \$14,382,000

17 The appropriation in this section is subject to the following
18 conditions and limitations: The state treasurer shall distribute the
19 appropriations to counties and public health districts to support
20 public health services pursuant to House Bill No. . . . (H-4386). If
21 House Bill No. . . . (H-4386) is not enacted by June 30, 2012, the
22 amount provided in this section shall lapse.

23 NEW SECTION. **Sec. 722.** A new section is added to 2011 1st sp.s.
24 c 50 (uncodified) to read as follows:

25 **FOR THE STATE TREASURER--EDUCATION FUNDING STUDY**

26 General Fund--State Appropriation (FY 2012) \$25,000

27 General Fund--State Appropriation (FY 2013) \$225,000

28 TOTAL APPROPRIATION \$250,000

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

31 (1) The entire appropriation is provided solely for the task force
32 and study established and directed under this section.

33 (2)(a) The recent McCleary decision by the state Supreme Court
34 found that the legislature is not meeting its paramount duty to
35 adequately fund K-12 basic education. The court also found that recent

1 legislative efforts to adjust the basic education definition and
2 funding models using the prototypical school model will meet the
3 paramount duty if implemented and fully funded in a timely manner. The
4 joint task force established in subsection (3) of this section is
5 created to help the legislature meet the requirements of the McCleary
6 decision by recommending options for a permanent funding source.

7 (b) The task force should also consider that: (i) In order to meet
8 performance and other K-12 goals, the state will need to enhance its
9 efforts regarding a comprehensive early learning program for at-risk
10 students; and (ii) In order to be competitive in today's economy
11 students need a degree or certificate after high school. The committee
12 should review options to address these considerations and possible
13 funding sources.

14 (3)(a) The joint task force on education funding is established.
15 The task force shall review the McCleary decision and make
16 recommendations on how the legislature can meet the requirements
17 outlined in that decision, particularly how to phase in and fully fund
18 the prototypical model approach recently adopted by the legislature.
19 In addition to focusing on options for fully funding basic education,
20 the task force shall also consider related school finance issues,
21 particularly eliminating differences in funding that are not based on
22 empirical factors, such as levy equalization, grandfathered levy lids,
23 salary schedules, and funding for administrative and classified staff.

24 (b) The task force shall also review programs of early learning for
25 at-risk youth, focusing on improving the child's readiness for
26 elementary school and possible funding options to enhance these
27 programs; as well as review higher education funding and make
28 recommendations regarding alternative funding options.

29 (c) The joint task force on education finance shall consist of
30 sixteen members:

31 (i) Eight legislators, with two members from each of the two
32 largest caucuses of the senate appointed by the president of the senate
33 and two members from each of the two largest caucuses of the house of
34 representatives appointed by the speaker of the house of
35 representatives;

36 (ii) A representative of the governor's office or the office of
37 financial management, designated by the governor;

1 (iii) The superintendent of public instruction or the
2 superintendent's designee;

3 (iv) The director of the department of early learning or the
4 director's designee;

5 (v) The executive director of the higher education coordinating
6 board or its successor agency or the executive director's designee; and

7 (vi) Four individuals, to be appointed by the governor, that have
8 significant experience with Washington education finance issues,
9 including the use and application of the current basic education
10 formulas, higher education funding, and early learning program funding.
11 Each of the two largest caucuses of the house of representatives and
12 the senate may submit names to the governor for consideration.

13 (vii) The task force shall be cochaired by one member from the
14 house of representatives and one member from the senate. If the house
15 of representatives and senate members cannot agree on their respective
16 cochair, the governor shall appoint the cochairs.

17 (d) The task force may recommend multiple options, but shall
18 recommend one preferred alternative, including an outline of necessary
19 implementing legislation. Should the task force recommend an option to
20 implement McCleary with no new revenues, the task force must identify
21 what areas already in the budget would be eliminated or reduced.

22 (e) The task force shall be staffed by the house of representatives
23 office of program research and senate committee services, with
24 assistance from the legislative evaluation and accountability program
25 committee, the office of the superintendent of public instruction, the
26 higher education coordinating board or its successor agency, the
27 department of early learning, the office of financial management, and
28 the Washington state institute for public policy.

29 (4)(a) The recommendations should provide maximum transparency of
30 the state's educational funding system in order to better help parents,
31 citizens, and educational personnel in Washington understand how the
32 education system is funded at the early, K-12, and higher education
33 levels.

34 (b) The funding structure options should be linked to
35 accountability for student outcomes, performance, and preparedness for
36 the subsequent educational level.

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2011 1st sp.s. c 50 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance premium distributions ((~~\$8,368,000~~)) \$8,289,000

General Fund Appropriation for public utility district excise tax distributions ((~~\$49,418,000~~)) \$44,078,000

General Fund Appropriation for prosecuting attorney distributions \$6,281,000

General Fund Appropriation for boating safety and education distributions \$4,000,000

General Fund Appropriation for other tax distributions \$58,000

General Fund Appropriation for habitat conservation program distributions ((~~\$3,000,000~~)) \$1,700,000

Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies \$2,960,000

Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution \$160,000

Timber Tax Distribution Account Appropriation for distribution to "timber" counties ((~~\$40,421,000~~)) \$58,229,000

County Criminal Justice Assistance Appropriation ((~~\$69,801,000~~)) \$51,796,000

Municipal Criminal Justice Assistance Appropriation ((~~\$26,950,000~~)) \$19,972,000

City-County Assistance Account Appropriation for local government financial assistance distribution ((~~\$16,589,000~~)) \$12,159,000

Liquor Excise Tax Account Appropriation for liquor

1	excise tax distribution	((\$52,152,000))
2		<u>\$39,730,000</u>
3	Streamlined Sales and Use Tax Mitigation Account	
4	Appropriation for distribution to local taxing	
5	jurisdictions to mitigate the unintended revenue	
6	redistribution effect of the sourcing law	
7	changes	((\$49,635,000))
8		<u>\$49,309,000</u>
9	Columbia River Water Delivery Account Appropriation for	
10	the Confederated Tribes of the Colville	
11	Reservation	((\$7,441,000))
12		<u>\$7,478,000</u>
13	Columbia River Water Delivery Account Appropriation for	
14	the Spokane Tribe of Indians	((\$4,748,000))
15		<u>\$4,794,000</u>
16	Liquor Revolving Account Appropriation for liquor	
17	profits distribution	((\$69,318,000))
18		<u>\$90,561,000</u>
19	TOTAL APPROPRIATION	((\$411,301,000))
20		<u>\$401,554,000</u>

21 The total expenditures from the state treasury under the
22 appropriations in this section shall not exceed the funds available
23 under statutory distributions for the stated purposes.

24 **Sec. 802.** 2011 1st sp.s. c 50 s 802 (uncodified) is amended to
25 read as follows:

26 **FOR THE STATE TREASURER--FOR THE COUNTY CRIMINAL JUSTICE ASSISTANCE**
27 **ACCOUNT**

28	Impaired Driver Safety Account Appropriation	((\$2,501,000))
29		<u>\$2,439,000</u>

30 The appropriation in this section is subject to the following
31 conditions and limitations: The amount appropriated in this section
32 shall be distributed quarterly during the 2011-2013 fiscal biennium in
33 accordance with RCW 82.14.310. This funding is provided to counties
34 for the costs of implementing criminal justice legislation including,
35 but not limited to: Chapter 206, Laws of 1998 (drunk driving
36 penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208,
37 Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998

1 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock
2 violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212,
3 Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication
4 levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter
5 215, Laws of 1998 (DUI provisions).

6 **Sec. 803.** 2011 1st sp.s. c 50 s 803 (uncodified) is amended to
7 read as follows:

8 **FOR THE STATE TREASURER--MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT**
9 Impaired Driver Safety Account Appropriation (~~(\$1,666,000)~~)
10 \$1,626,000

11 The appropriation in this section is subject to the following
12 conditions and limitations: The amount appropriated in this section
13 shall be distributed quarterly during the 2011-2013 biennium to all
14 cities ratably based on population as last determined by the office of
15 financial management. The distributions to any city that substantially
16 decriminalizes or repeals its criminal code after July 1, 1990, and
17 that does not reimburse the county for costs associated with criminal
18 cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in
19 which the city is located. This funding is provided to cities for the
20 costs of implementing criminal justice legislation including, but not
21 limited to: Chapter 206, Laws of 1998 (drunk driving penalties);
22 chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998
23 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license
24 suspension); chapter 210, Laws of 1998 (ignition interlock violations);
25 chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998
26 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels
27 lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215,
28 Laws of 1998 (DUI provisions).

29 **Sec. 804.** 2011 2nd sp.s. c 9 s 801 (uncodified) is amended to read
30 as follows:

31 **FOR THE STATE TREASURER--TRANSFERS**
32 State Treasurer's Service Account: For transfer to
33 the state general fund, \$16,300,000
34 for fiscal year 2012 and (~~(\$21,300,000)~~)
35 \$24,800,000 for fiscal year 2013 (~~(\$37,600,000)~~)
36 \$41,100,000

1 Waste Reduction, Recycling, and Litter Control
2 Account: For transfer to the state general
3 fund, \$3,500,000 for fiscal year 2012 and
4 \$3,500,000 for fiscal year 2013 \$7,000,000
5 Aquatics Lands Enhancement Account: For transfer to
6 the state general fund, \$3,500,000 for fiscal
7 year 2012 and \$3,500,000 for fiscal year 2013 \$7,000,000
8 Savings Incentive Account: For transfer to the state
9 general fund, \$44,618,000 for fiscal year 2012 \$44,618,000
10 Distinguished Professorship Trust Fund: For transfer to
11 the state general fund for fiscal year 2012, an amount
12 not to exceed the actual cash balance of the fund \$3,024,000
13 Washington Graduate Fellowship Trust Fund: For transfer
14 to the state general fund for fiscal year 2012, an
15 amount not to exceed the actual cash balance of
16 the fund \$1,028,000
17 College Faculty Awards Trust Fund: For transfer
18 to the state general fund for fiscal year 2012, an amount
19 not to exceed the actual cash balance of the fund \$1,996,000
20 Data Processing Revolving Account: For transfer
21 to the state general fund, \$5,960,000 for fiscal
22 year 2012 \$5,960,000
23 Drinking Water Assistance Account: For transfer to
24 the drinking water assistance repayment account \$38,000,000
25 Economic Development Strategic Reserve Account: For
26 transfer to the state general fund, \$2,100,000
27 for fiscal year 2012 and \$2,100,000 for fiscal
28 year 2013 \$4,200,000
29 General Fund: For transfer to the streamlined sales
30 and use tax account, \$24,846,000 for fiscal year
31 2012 and \$24,789,000 for fiscal year 2013 \$49,635,000
32 Public Works Assistance Account: For transfer to the
33 water pollution control revolving account,
34 \$7,750,000 for fiscal year 2012 and \$7,750,000 for
35 fiscal year 2013 \$15,500,000
36 The Charitable, Educational, Penal, and Reformatory
37 Institutions Account: For transfer to the state
38 general fund, \$4,500,000 for fiscal year 2012 and

1 settlement account \$158,205,000

2 Tobacco Settlement Account: For transfer to the basic

3 health plan stabilization account from the amounts

4 deposited in the account that are attributable to the

5 annual strategic contribution payment received in

6 fiscal year 2012 \$22,000,000

7 Tobacco Settlement Account: For transfer to the basic

8 health plan stabilization account from the amounts

9 deposited in the account that are attributable to the

10 annual strategic contribution payment received in

11 fiscal year 2013 \$22,000,000

12 Tobacco Settlement Account: For transfer to the life

13 sciences discovery fund, in an amount not to exceed

14 the actual remaining amount of the annual strategic

15 contribution payment to the tobacco settlement account

16 for fiscal year 2012 \$6,000,000

17 Tobacco Settlement Account: For transfer to the life

18 sciences discovery fund, in an amount not to exceed

19 the actual remaining amount of the annual strategic

20 contribution payment to the tobacco settlement account

21 for fiscal year 2013 \$6,000,000

22 The transfer to the life sciences discovery fund is subject to the

23 following conditions: All new grants awarded during the 2011-2013

24 fiscal biennium shall support and accelerate the commercialization of

25 an identifiable product.

26 Manufacturing Innovation and Modernization Account: For

27 transfer to the state general fund, \$201,000 for

28 fiscal year 2013 \$201,000

29 Public Service Revolving Account: For transfer to

30 the state general fund, \$2,500,000 for fiscal year

31 2012 and \$2,500,000 for fiscal year 2013 \$5,000,000

32 Financial Services Regulation Fund: For transfer to

33 the state general fund, \$3,000,000 for fiscal

34 year 2012 \$3,000,000

35 Worker and Community Right To Know Fund: For transfer

36 to the state general fund, \$500,000 for fiscal

37 year 2012 and \$500,000 for fiscal year 2013 \$1,000,000

38 Fair Account: For transfer to the state general fund,

1 \$1,750,000 for fiscal year 2012 \$1,750,000
2 Resources Management Cost Account from aquatics lands
3 revenues: For transfer to the aquatics lands enhancement
4 account, \$522,000 for fiscal year 2013 \$522,000

(End of part)

1 **COALITION, WFSE CC COALITION, WFSE CWU, WFSE TESC**

2 Agreements have been reached between the governor and the following
3 unions: Washington public employees association, Washington public
4 employees association higher education community college coalition,
5 Washington federation of state employees higher education community
6 college coalition, Washington federation of state employees Central
7 Washington University, and Washington federation of state employees The
8 Evergreen State College, under the provisions of chapter 41.80 RCW for
9 fiscal year 2013. Funding is reduced to reflect a 3.0 percent
10 temporary salary reduction for all employees whose monthly full-time
11 equivalent salary is \$2,500 or more per month through June 29, 2013.
12 Effective June 30, 2013, the salary schedules effective July 1, 2009,
13 through June 30, 2011, will be reinstated. For employees entitled to
14 leave, temporary salary reduction leave is granted for fiscal year
15 2013.

16 NEW SECTION. **Sec. 903.** A new section is added to 2011 1st sp.s.
17 c 50 (uncodified) to read as follows:

18 **COLLECTIVE BARGAINING AGREEMENT--FISCAL YEAR 2013--YAKIMA VALLEY**
19 **COMMUNITY COLLEGE--WASHINGTON PUBLIC EMPLOYEES ASSOCIATION**

20 An agreement has been reached between Yakima Valley Community
21 College and Washington public employees association under the
22 provisions of chapter 41.80 RCW for fiscal year 2013. The agreement is
23 consistent with the funding reduction provided in the 2011-2013 omnibus
24 appropriations act, which reflected a 3.0 percent temporary salary
25 reduction to all employees whose monthly full-time equivalent salary is
26 \$2,500 or more per month through June 29, 2013.

27 NEW SECTION. **Sec. 904.** A new section is added to 2011 1st sp.s.
28 c 50 (uncodified) to read as follows:

29 **COLLECTIVE BARGAINING AGREEMENT--FISCAL YEAR 2013--WESTERN WASHINGTON**
30 **UNIVERSITY--PUBLIC SCHOOL EMPLOYEES OF WASHINGTON**

31 An agreement has been reached between Western Washington University
32 and the Washington public school employees of Washington bargaining
33 units D and PTE under the provisions of chapter 41.80 RCW for fiscal
34 year 2013. The agreement is consistent with the funding reduction
35 provided in the 2011-2013 omnibus appropriations act, which reflected
36 a 3.0 percent temporary salary reduction to all employees whose monthly

1 full-time equivalent salary is \$2,500 or more per month through June
2 29, 2013. The reduction will be implemented according to the terms and
3 conditions of this agreement.

4 NEW SECTION. **Sec. 905.** A new section is added to 2011 1st sp.s.
5 c 50 (uncodified) to read as follows:

6 **COLLECTIVE BARGAINING AGREEMENT--FISCAL YEAR 2013--WESTERN WASHINGTON**
7 **UNIVERSITY--WFSE**

8 An agreement has been reached between Western Washington University
9 and the Washington federation of state employees bargaining units A, B,
10 and E under the provisions of chapter 41.80 RCW for fiscal year 2013.
11 The agreement is consistent with the funding reduction provided in the
12 2011-2013 omnibus appropriations act, which reflected a 3.0 percent
13 temporary salary reduction to all employees whose monthly full-time
14 equivalent salary is \$2,500 or more per month through June 29, 2013.
15 The reduction will be implemented according to the terms and conditions
16 of this agreement.

17 NEW SECTION. **Sec. 906.** A new section is added to 2011 1st sp.s.
18 c 50 (uncodified) to read as follows:

19 **COLLECTIVE BARGAINING AGREEMENT--FISCAL YEAR 2013--EASTERN WASHINGTON**
20 **UNIVERSITY--WFSE**

21 An agreement has been reached between Eastern Washington University
22 and the Washington federation of state employees under the provisions
23 of chapter 41.80 RCW for fiscal year 2013. The agreement is consistent
24 with the funding reduction provided in the 2011-2013 omnibus
25 appropriations act, which reflected a 3.0 percent temporary salary
26 reduction to all employees whose monthly full-time equivalent salary is
27 \$2,500 or more per month through June 29, 2013. The reduction will be
28 implemented according to the terms and conditions of this agreement.

29 **Sec. 907.** 2011 1st sp.s. c 50 s 920 (uncodified) is amended to
30 read as follows:

31 **COMPENSATION--NONREPRESENTED EMPLOYEES--INSURANCE BENEFITS**

32 Appropriations for state agencies in this act are sufficient for
33 nonrepresented state employee health benefits for state agencies,
34 including institutions of higher education, and are subject to the
35 following conditions and limitations:

1 (1)(a) The monthly employer funding rate for insurance benefit
2 premiums, public employees' benefits board administration, and the
3 uniform medical plan, shall not exceed \$850 per eligible employee for
4 fiscal year 2012. For fiscal year 2013 the monthly employer funding
5 rate shall not exceed (~~(\$850)~~) \$800 per eligible employee.

6 (b) In order to achieve the level of funding provided for health
7 benefits, the public employees' benefits board shall require any or all
8 of the following: Employee premium copayments, increases in point-of-
9 service cost sharing, the implementation of managed competition, or
10 make other changes to benefits consistent with RCW 41.05.065.

11 (c) The health care authority shall deposit any moneys received on
12 behalf of the uniform medical plan as a result of rebates on
13 prescription drugs, audits of hospitals, subrogation payments, or any
14 other moneys recovered as a result of prior uniform medical plan claims
15 payments, into the public employees' and retirees' insurance account to
16 be used for insurance benefits. Such receipts shall not be used for
17 administrative expenditures.

18 (2) The health care authority, subject to the approval of the
19 public employees' benefits board, shall provide subsidies for health
20 benefit premiums to eligible retired or disabled public employees and
21 school district employees who are eligible for medicare, pursuant to
22 RCW 41.05.085. For calendar years 2012 and 2013, the subsidy shall be
23 \$150.00 per month.

24 (3) Technical colleges, school districts, and educational service
25 districts shall remit to the health care authority for deposit into the
26 public employees' and retirees' insurance account established in RCW
27 41.05.120 the following amounts:

28 (a) For each full-time employee, \$66.01 per month beginning
29 September 1, 2011, and (~~(\$67.91)~~) \$65.17 beginning September 1, 2012;

30 (b) For each part-time employee, who at the time of the remittance
31 is employed in an eligible position as defined in RCW 41.32.010 or
32 41.40.010 and is eligible for employer fringe benefit contributions for
33 basic benefits, \$66.01 each month beginning September 1, 2011, and
34 (~~(\$67.91)~~) \$65.17 beginning September 1, 2012, prorated by the
35 proportion of employer fringe benefit contributions for a full-time
36 employee that the part-time employee receives. The remittance
37 requirements specified in this subsection shall not apply to employees

1 of a technical college, school district, or educational service
2 district who purchase insurance benefits through contracts with the
3 health care authority.

4 **Sec. 908.** 2011 1st sp.s. c 50 s 921 (uncodified) is amended to
5 read as follows:

6 **COMPENSATION--REPRESENTED EMPLOYEES OUTSIDE SUPER COALITION--INSURANCE**
7 **BENEFITS**

8 Appropriations for state agencies in this act are sufficient for
9 represented employees outside the super coalition for health benefits,
10 and are subject to the following conditions and limitations:

11 (1)(a) The monthly employer funding rate for insurance benefit
12 premiums, public employees' benefits board administration, and the
13 uniform medical plan, shall not exceed \$850 per eligible employee for
14 fiscal year 2012. For fiscal year 2013 the monthly employer funding
15 rate shall not exceed (~~(\$850)~~) \$800 per eligible employee.

16 (b) In order to achieve the level of funding provided for health
17 benefits, the public employees' benefits board shall require any or all
18 of the following: Employee premium copayments, increases in point-of-
19 service cost sharing, the implementation of managed competition, or
20 make other changes to benefits consistent with RCW 41.05.065.

21 (c) The health care authority shall deposit any moneys received on
22 behalf of the uniform medical plan as a result of rebates on
23 prescription drugs, audits of hospitals, subrogation payments, or any
24 other moneys recovered as a result of prior uniform medical plan claims
25 payments, into the public employees' and retirees' insurance account to
26 be used for insurance benefits. Such receipts shall not be used for
27 administrative expenditures.

28 (2) The health care authority, subject to the approval of the
29 public employees' benefits board, shall provide subsidies for health
30 benefit premiums to eligible retired or disabled public employees and
31 school district employees who are eligible for medicare, pursuant to
32 RCW 41.05.085. For calendar years 2012 and 2013, the subsidy shall be
33 \$150.00 per month.

34 (3) Technical colleges, school districts, and educational service
35 districts shall remit to the health care authority for deposit into the
36 public employees' and retirees' insurance account established in RCW
37 41.05.120 the following amounts:

1 (a) For each full-time employee, \$66.01 per month beginning
2 September 1, 2011, and (~~(\$67.91)~~) \$65.17 beginning September 1, 2012;

3 (b) For each part-time employee, who at the time of the remittance
4 is employed in an eligible position as defined in RCW 41.32.010 or
5 41.40.010 and is eligible for employer fringe benefit contributions for
6 basic benefits, \$66.01 each month beginning September 1, 2011, and
7 (~~(\$67.91)~~) \$65.17 beginning September 1, 2012, prorated by the
8 proportion of employer fringe benefit contributions for a full-time
9 employee that the part-time employee receives. The remittance
10 requirements specified in this subsection shall not apply to employees
11 of a technical college, school district, or educational service
12 district who purchase insurance benefits through contracts with the
13 health care authority.

14 **Sec. 909.** 2011 1st sp.s. c 50 s 922 (uncodified) is amended to
15 read as follows:

16 **COMPENSATION--REPRESENTED EMPLOYEES--SUPER COALITION--INSURANCE**
17 **BENEFITS**

18 The collective bargaining agreement negotiated with the super
19 coalition under chapter 41.80 RCW includes employer premiums at 85
20 percent of the total weighted average of the projected health care
21 premiums across all plans and tiers. Appropriations in this act for
22 state agencies, including institutions of higher education are
23 sufficient to fund state employees health benefits for employees
24 represented by the super coalition on health benefits, and are subject
25 to the following conditions and limitations:

26 (1)(a) The monthly employer funding rate for insurance benefit
27 premiums, public employees' benefits board administration, and the
28 uniform medical plan, shall not exceed \$850 per eligible employee for
29 fiscal year 2012. For fiscal year 2013 the monthly employer funding
30 rate shall not exceed (~~(\$850)~~) \$800 per eligible employee.

31 (b) In order to achieve the level of funding provided for health
32 benefits, the public employees' benefits board shall require any or all
33 of the following: Employee premium copayments, increases in point-of-
34 service cost sharing, the implementation of managed competition, or
35 make other changes to benefits consistent with RCW 41.05.065.

36 (c) The health care authority shall deposit any moneys received on
37 behalf of the uniform medical plan as a result of rebates on

1 prescription drugs, audits of hospitals, subrogation payments, or any
2 other moneys recovered as a result of prior uniform medical plan claims
3 payments, into the public employees' and retirees' insurance account to
4 be used for insurance benefits. Such receipts shall not be used for
5 administrative expenditures.

6 (2) The health care authority, subject to the approval of the
7 public employees' benefits board, shall provide subsidies for health
8 benefit premiums to eligible retired or disabled public employees and
9 school district employees who are eligible for medicare, pursuant to
10 RCW 41.05.085. For calendar years 2012 and 2013, the subsidy shall be
11 \$150.00 per month.

12 NEW SECTION. **Sec. 910.** A new section is added to 2011 1st sp.s.
13 c 50 (uncodified) to read as follows:

14 **LOCAL GOVERNMENT FINANCING**

15 (1) This act assumes adoption of separate local government finance
16 legislation that changes the relationship between the state and local
17 governments by reducing state support both in this act and the assumed
18 legislation for selected areas while giving local governments
19 additional local taxing authority to offset, at least in part, the
20 reduction in state support. A contingency fund is created in the
21 assumed legislation, managed by the office of financial management, to
22 provide additional assistance to local governments who have used the
23 new local option tax authority and demonstrate that critical services
24 still cannot be maintained without one-time assistance.

25 (2)(a) The following state revenues for distribution to local
26 governments are being reduced or eliminated in the assumed local
27 government finance legislation: (i) Municipal criminal justice
28 assistance; (ii) county criminal justice assistance; (iii) rural county
29 sales tax credit; and (iv) beer tax.

30 (b) The local government finance legislation distributes spirits
31 license fees through the liquor revolving fund in accordance with
32 section 302, chapter 2, Laws of 2012 (Initiative Measure No. 1183).

33 (c) This act reduces public health funding. In the assumed local
34 government finance legislation, the portion of the liquor excise tax
35 that is distributed to cities and counties is redirected into a new
36 state account. Funds in the new account are distributed to local

1 health districts in proportion to their aggregate receipts under local
2 capacity development, MVET/I-695 replacement, and the blue ribbon fund
3 distributions.

4 (3) This act also reduces appropriation levels for some state
5 programs that benefit local governments. These include the state
6 patrol crime lab, state funding for district and municipal court
7 judicial salaries and other court-related activities, and state funding
8 of the criminal justice training center. The assumed local government
9 finance legislation requires local governments to pay a fee to cover 50
10 percent of service costs by the crime lab.

11 (4) The assumed local government finance legislation authorizes new
12 local option taxes or modifies existing local taxes in the following
13 ways:

14 (a)(i) Counties with a population less than 250,000 may impose a
15 0.2 percent sales and use tax and split the receipts 85 percent to the
16 county and 15 percent to the cities within the county.

17 (ii) Counties with a population of 250,000 or more may impose a 0.1
18 percent sales and use tax and split the receipts 55 percent to the
19 county and 45 percent to the cities within the county.

20 (iii) If certain counties do not impose the tax by January 1, 2013,
21 the cities within the county may impose the tax.

22 (b) Cities and counties may impose a sales tax of up to 0.5 percent
23 on food and beverages sold by restaurants, taverns, and bars.

24 (c) The voter-approval requirement for the 0.3 percent local public
25 safety and use taxes is eliminated.

26 (d) An additional supplant timeline is provided for jurisdictions
27 that impose the mental health/chemical dependency sales and use tax in
28 the future.

29 (e) Counties may impose up to a 6 percent utility tax. Counties
30 with a population over 1.5 million may not tax natural gas.

31 **Sec. 911.** RCW 15.76.115 and 2011 1st sp.s. c 50 s 926 are each
32 amended to read as follows:

33 The fair fund is created in the custody of the state treasury. All
34 moneys received by the department of agriculture for the purposes of
35 this fund and from RCW 67.16.105(7) shall be deposited into the fund.
36 At the beginning of fiscal year 2002 and each fiscal year thereafter,
37 with the exception of fiscal year 2013, the state treasurer shall

1 transfer into the fair fund from the general fund the sum of two
2 million dollars(~~(, except for fiscal year 2011 the state treasurer~~
3 ~~shall transfer into the fair fund from the general fund the sum of one~~
4 ~~million one hundred three thousand dollars, and except during fiscal~~
5 ~~year 2012 and fiscal year 2013 the state treasurer shall transfer into~~
6 ~~the fair fund from the general fund the sum of one million seven~~
7 ~~hundred fifty thousand dollars each fiscal year)). Expenditures from
8 the fund may be used only for assisting fairs in the manner provided in
9 this chapter. Only the director of agriculture or the director's
10 designee may authorize expenditures from the fund. The fund is subject
11 to allotment procedures under chapter 43.88 RCW, but no appropriation
12 is required for expenditures. During fiscal year 2012, the legislature
13 may transfer from the fair account to the general fund, such amounts as
14 reflect the excess fund balance in the account.~~

15 **Sec. 912.** RCW 43.320.110 and 2010 1st sp.s. c 37 s 934 are each
16 amended to read as follows:

17 There is created a local fund known as the "financial services
18 regulation fund" which shall consist of all moneys received by the
19 divisions of the department of financial institutions, except for the
20 division of securities which shall deposit thirteen percent of all
21 moneys received, except as provided in RCW 43.320.115, and which shall
22 be used for the purchase of supplies and necessary equipment; the
23 payment of salaries, wages, and utilities; the establishment of
24 reserves; and other incidental costs required for the proper regulation
25 of individuals and entities subject to regulation by the department.
26 The state treasurer shall be the custodian of the fund. Disbursements
27 from the fund shall be on authorization of the director of financial
28 institutions or the director's designee. In order to maintain an
29 effective expenditure and revenue control, the fund shall be subject in
30 all respects to chapter 43.88 RCW, but no appropriation is required to
31 permit expenditures and payment of obligations from the fund.

32 During the (~~2009-2011~~) 2011-2013 fiscal biennium, the legislature
33 may transfer from the financial services regulation fund to the state
34 general fund such amounts as reflect the excess fund balance of the
35 fund.

1 **Sec. 913.** RCW 43.338.030 and 2008 c 315 s 5 are each amended to
2 read as follows:

3 (1) The manufacturing innovation and modernization account is
4 created in the state treasury. Moneys in the account may be spent only
5 after appropriation.

6 (2) Expenditures from the account may be used only for funding
7 activities of the Washington manufacturing innovation and modernization
8 extension services program created in RCW 43.338.020.

9 (3) All payments by a program participant in the Washington
10 manufacturing innovation and modernization extension services program
11 created in RCW 43.338.020 shall be deposited into the manufacturing
12 innovation and modernization account. Of the total payments deposited
13 into the account by program participants, the department may use up to
14 three percent for administration of this program. The deposit of
15 payments under this section from a program participant cease when the
16 department specifies that the program participant has met the monetary
17 contribution obligations of the program.

18 (4) All revenue solicited and received under the provisions of RCW
19 43.338.020(3) shall be deposited into the manufacturing innovation and
20 modernization account.

21 (5) The legislature intends that all payments from the
22 manufacturing innovation and modernization account made to qualified
23 manufacturing extension partnership affiliates will be eligible as the
24 state match in an affiliate's application for federal matching funds
25 under the manufacturing extension partnership program of the United
26 States department of commerce's national institute of standards and
27 technology.

28 (6) During the 2011-2013 fiscal biennium, the legislature may
29 transfer from the manufacturing innovation and modernization account to
30 the state general fund such amounts as reflect the excess fund balance
31 of the fund.

32 **Sec. 914.** RCW 49.70.170 and 2010 c 8 s 12068 are each amended to
33 read as follows:

34 (1) The worker and community right to know fund is hereby
35 established in the custody of the state treasurer. The department
36 shall deposit all moneys received under this chapter in the fund.
37 Moneys in the fund may be spent only for the purposes of this chapter

1 following legislative appropriation. Disbursements from the fund shall
2 be on authorization of the director or the director's designee. During
3 the 2003-2005 fiscal biennium, moneys in the fund may also be used by
4 the military department for the purpose of assisting the state
5 emergency response commission and coordinating local emergency planning
6 activities. The fund is subject to the allotment procedure provided
7 under chapter 43.88 RCW.

8 (2) The department shall assess each employer who reported ten
9 thousand four hundred or more worker hours in the prior calendar year
10 an annual fee to provide for the implementation of this chapter. The
11 department shall promulgate rules establishing a fee schedule for all
12 employers who reported ten thousand four hundred or more worker hours
13 in the prior calendar year and are engaged in business operations
14 having a standard industrial classification, as designated in the
15 standard industrial classification manual prepared by the federal
16 office of management and budget, within major group numbers 01 through
17 08 (agriculture and forestry industries), numbers 10 through 14 (mining
18 industries), numbers 15 through 17 (construction industries), numbers
19 20 through 39 (manufacturing industries), numbers 41, 42, and 44
20 through 49 (transportation, communications, electric, gas, and sanitary
21 services), number 75 (automotive repair, services, and garages), number
22 76 (miscellaneous repair services), number 80 (health services), and
23 number 82 (educational services). The department shall establish the
24 annual fee for each employer who reported ten thousand four hundred or
25 more worker hours in the prior calendar year in industries identified
26 by this section, provided that fees assessed shall not be more than two
27 dollars and fifty cents per full time equivalent employee. The annual
28 fee shall not exceed fifty thousand dollars. The fees shall be
29 collected solely from employers whose industries have been identified
30 by rule under this chapter. The department shall promulgate rules
31 allowing employers who do not have hazardous substances at their
32 workplace to request an exemption from the assessment and shall
33 establish penalties for fraudulent exemption requests. All fees
34 collected by the department pursuant to this section shall be collected
35 in a cost-efficient manner and shall be deposited in the fund.

36 (3) Records required by this chapter shall at all times be open to
37 the inspection of the director, or his or her designee including, the
38 traveling auditors, agents, or assistants of the department provided

1 for in RCW 51.16.070 and 51.48.040. The information obtained from
2 employer records under the provisions of this section shall be subject
3 to the same confidentiality requirements as set forth in RCW 51.16.070.

4 (4) An employer may appeal the assessment of the fee or penalties
5 pursuant to the procedures set forth in Title 51 RCW and accompanying
6 rules except that the employer shall not have the right of appeal to
7 superior court as provided in Title 51 RCW. The employer from whom the
8 fee or penalty is demanded or enforced, may however, within thirty days
9 of the board of industrial insurance appeal's final order, pay the fee
10 or penalty under written protest setting forth all the grounds upon
11 which such fee or penalty is claimed to be unlawful, excessive, or
12 otherwise improper and thereafter bring an action in superior court
13 against the department to recover such fee or penalty or any portion of
14 the fee or penalty which was paid under protest.

15 (5) Repayment shall be made to the general fund of any moneys
16 appropriated by law in order to implement this chapter.

17 (6) During the 2011-2013 fiscal biennium, the legislature may
18 transfer from the worker and community right to know fund to the state
19 general fund such amounts as reflect the excess fund balance of the
20 fund.

21 **Sec. 915.** RCW 70.95.521 and 2009 c 261 s 3 are each amended to
22 read as follows:

23 The waste tire removal account is created in the state treasury.
24 Expenditures from the account may be used for the cleanup of
25 unauthorized waste tire piles, measures that prevent future
26 accumulation of unauthorized waste tire piles, ~~((and))~~ road wear
27 related maintenance on state and local public highways~~((—During the~~
28 ~~2007-2009 fiscal biennium, the legislature may transfer from the waste~~
29 ~~tire removal account to the motor vehicle fund such amounts as reflect~~
30 ~~the excess fund balance of the waste tire removal account))~~, and
31 activities that serve to lessen the impact motorized transportation and
32 tires have on the spread of invasive weeds. During the 2011-2013
33 fiscal biennium, the waste tire removal account may be used to support
34 the plant protection program, including the state weed board and weed
35 board education activities at the department of agriculture.

1 **Sec. 916.** RCW 77.12.201 and 2009 c 479 s 63 are each amended to
2 read as follows:

3 The legislative authority of a county may elect, by giving written
4 notice to the director and the treasurer prior to January 1st of any
5 year, to obtain for the following year an amount in lieu of real
6 property taxes on game lands as provided in RCW 77.12.203. Upon the
7 election, the county shall keep a record of all fines, forfeitures,
8 reimbursements, and costs assessed and collected, in whole or in part,
9 under this title for violations of law or rules adopted pursuant to
10 this title, with the exception of the 2011-2013 fiscal biennium, and
11 shall monthly remit an amount equal to the amount collected to the
12 state treasurer for deposit in the state general fund. The election
13 shall continue until the department is notified differently prior to
14 January 1st of any year.

15 **Sec. 917.** RCW 77.12.203 and 2005 c 303 s 14 are each amended to
16 read as follows:

17 (1) Notwithstanding RCW 84.36.010 or other statutes to the
18 contrary, with the exception of the 2011-2013 fiscal biennium the
19 director shall pay by April 30th of each year on game lands in each
20 county, if requested by an election under RCW 77.12.201, an amount in
21 lieu of real property taxes equal to that amount paid on similar
22 parcels of open space land taxable under chapter 84.34 RCW or the
23 greater of seventy cents per acre per year or the amount paid in 1984
24 plus an additional amount for control of noxious weeds equal to that
25 which would be paid if such lands were privately owned. This amount
26 shall not be assessed or paid on department buildings, structures,
27 facilities, game farms, fish hatcheries, tidelands, or public fishing
28 areas of less than one hundred acres.

29 (2) "Game lands," as used in this section and RCW 77.12.201, means
30 those tracts one hundred acres or larger owned in fee by the department
31 and used for wildlife habitat and public recreational purposes. All
32 lands purchased for wildlife habitat, public access or recreation
33 purposes with federal funds in the Snake River drainage basin shall be
34 considered game lands regardless of acreage.

35 (3) This section shall not apply to lands transferred after April
36 23, 1990, to the department from other state agencies.

1 (4) The county shall distribute the amount received under this
2 section in lieu of real property taxes to all property taxing districts
3 except the state in appropriate tax code areas the same way it would
4 distribute local property taxes from private property. The county
5 shall distribute the amount received under this section for weed
6 control to the appropriate weed district.

7 **Sec. 918.** RCW 79.64.020 and 2011 c 216 s 15 are each amended to
8 read as follows:

9 A resource management cost account in the state treasury is created
10 to be used solely for the purpose of defraying the costs and expenses
11 necessarily incurred by the department in managing and administering
12 state lands, community forest trust lands, and aquatic lands and the
13 making and administering of leases, sales, contracts, licenses,
14 permits, easements, and rights-of-way as authorized under the
15 provisions of this title. Appropriations from the resource management
16 cost account to the department shall be expended for no other purposes.
17 Funds in the resource management cost account may be appropriated or
18 transferred by the legislature for the benefit of all of the trusts
19 from which the funds were derived. During the 2011-2013 fiscal
20 biennium, the legislature may transfer from the aquatics revenues in
21 the resources management cost account to the aquatics land enhancement
22 account, such amounts as reflect the excess fund balance in the
23 account.

24 **Sec. 919.** RCW 79.64.040 and 2011 1st sp.s. c 50 s 966 and 2011 c
25 216 s 16 are each reenacted and amended to read as follows:

26 (1) The board shall determine the amount deemed necessary in order
27 to achieve the purposes of this chapter and shall provide by rule for
28 the deduction of this amount from the moneys received from all leases,
29 sales, contracts, licenses, permits, easements, and rights-of-way
30 issued by the department and affecting state lands, community forest
31 trust lands, and aquatic lands, provided that no deduction shall be
32 made from the proceeds from agricultural college lands.

33 (2) Moneys received as deposits from successful bidders, advance
34 payments, and security under RCW 79.15.100, 79.15.080, and 79.11.150
35 prior to December 1, 1981, which have not been subjected to deduction
36 under this section are not subject to deduction under this section.

1 (3) Except as otherwise provided in subsections (4) and (6) of this
2 section, the deductions authorized under this section shall not exceed
3 twenty-five percent of the moneys received by the department in
4 connection with any one transaction pertaining to state lands and
5 aquatic lands other than second-class tide and shore lands and the beds
6 of navigable waters, and fifty percent of the moneys received by the
7 department pertaining to second-class tide and shore lands and the beds
8 of navigable waters.

9 (4) Deductions authorized under this section for transactions
10 pertaining to community forest trust lands must be established at a
11 level sufficient to defray over time the management costs for
12 activities prescribed in a parcel's management plan adopted pursuant to
13 RCW 79.155.080, and, if deemed appropriate by the board consistent with
14 RCW 79.155.090, to reimburse the state and any local entities' eligible
15 financial contributions for acquisition of the parcel.

16 (5) In the event that the department sells logs using the contract
17 harvesting process described in RCW 79.15.500 through 79.15.530, the
18 moneys received subject to this section are the net proceeds from the
19 contract harvesting sale.

20 (6) During the ((2009-2011)) 2011-2013 fiscal biennium ((and fiscal
21 year-2012)), the twenty-five percent limitation on deductions set in
22 subsection (3) of this section may be increased up to thirty percent by
23 the board.

24 **Sec. 920.** RCW 79.64.100 and 2003 c 334 s 219 are each amended to
25 read as follows:

26 There is created a forest development account in the state
27 treasury. The state treasurer shall keep an account of all sums
28 deposited therein and expended or withdrawn therefrom. Any sums placed
29 in the forest development account shall be pledged for the purpose of
30 paying interest and principal on the bonds issued by the department
31 under RCW 79.22.080 and 79.22.090 and the provisions of this chapter,
32 and for the purchase of land for growing timber. Any bonds issued
33 shall constitute a first and prior claim and lien against the account
34 for the payment of principal and interest. No sums for the above
35 purposes shall be withdrawn or paid out of the account except upon
36 approval of the department.

1 Appropriations may be made by the legislature from the forest
2 development account to the department for the purpose of carrying on
3 the activities of the department on state forest lands, lands managed
4 on a sustained yield basis as provided for in RCW 79.10.320, and for
5 reimbursement of expenditures that have been made or may be made from
6 the resource management cost account in the management of state forest
7 lands. For the 2011-2013 fiscal biennium, moneys from the forest
8 development account shall be distributed as directed in section 709 of
9 this act to the beneficiaries of the revenues derived from state forest
10 lands. During the 2011-2013 fiscal biennium, the legislature may
11 appropriate moneys in the forest development account to support fire
12 suppression activities on state forest and state trust lands.

13 **Sec. 921.** RCW 79.70.130 and 2005 c 303 s 11 are each amended to
14 read as follows:

15 The state treasurer, on behalf of the department and with the
16 exception of fiscal year 2013, must distribute to counties for all
17 lands acquired for the purposes of this chapter an amount in lieu of
18 real property taxes equal to the amount of tax that would be due if the
19 land were taxable as open space land under chapter 84.34 RCW except
20 taxes levied for any state purpose, plus an additional amount equal to
21 the amount of weed control assessment that would be due if such lands
22 were privately owned. The county assessor and county legislative
23 authority shall assist in determining the appropriate calculation of
24 the amount of tax that would be due. The county shall distribute the
25 amount received under this section in lieu of real property taxes to
26 all property taxing districts except the state in appropriate tax code
27 areas the same way it would distribute local property taxes from
28 private property. The county shall distribute the amount received
29 under this section for weed control to the appropriate weed district.

30 **Sec. 922.** RCW 79.71.130 and 2005 c 303 s 12 are each amended to
31 read as follows:

32 The state treasurer, on behalf of the department and with the
33 exception of fiscal year 2013, must distribute to counties for all
34 lands acquired for the purposes of this chapter an amount in lieu of
35 real property taxes equal to the amount of tax that would be due if the
36 land were taxable as open space land under chapter 84.34 RCW except

1 taxes levied for any state purpose, plus an additional amount equal to
2 the amount of weed control assessment that would be due if such lands
3 were privately owned. The county assessor and county legislative
4 authority shall assist in determining the appropriate calculation of
5 the amount of tax that would be due. The county shall distribute the
6 amount received under this section in lieu of real property taxes to
7 all property taxing districts except the state in appropriate tax code
8 areas the same way it would distribute local property taxes from
9 private property. The county shall distribute the amount received
10 under this section for weed control to the appropriate weed district.

11 **Sec. 923.** RCW 79.105.150 and 2011 2nd sp.s. c 9 s 911 are each
12 amended to read as follows:

13 (1) After deduction for management costs as provided in RCW
14 79.64.040 and payments to towns under RCW 79.115.150(2), all moneys
15 received by the state from the sale or lease of state-owned aquatic
16 lands and from the sale of valuable material from state-owned aquatic
17 lands shall be deposited in the aquatic lands enhancement account which
18 is hereby created in the state treasury. After appropriation, these
19 funds shall be used solely for aquatic lands enhancement projects; for
20 the purchase, improvement, or protection of aquatic lands for public
21 purposes; for providing and improving access to the lands; and for
22 volunteer cooperative fish and game projects. During the ((2009-2011
23 and)) 2011-2013 fiscal ((biennia)) biennium, the aquatic lands
24 enhancement account may also be used for scientific research as part of
25 the adaptive management process and for developing a planning report
26 for McNeil Island. During the ((2009-2011-and)) 2011-2013 fiscal
27 ((biennia)) biennium, the legislature may transfer from the aquatic
28 lands enhancement account to the state general fund such amounts as
29 reflect excess fund balance of the account. During the 2011-2013
30 fiscal biennium, the aquatic lands enhancement account may be used to
31 support the shellfish program, ((the ballast water program,)) native
32 fish recovery program, aquatic invasive species monitoring and control
33 program, and the Puget Sound toxic sampling program at the department
34 of fish and wildlife, and the knotweed program at the department of
35 agriculture.

36 (2) In providing grants for aquatic lands enhancement projects, the
37 recreation and conservation funding board shall:

1 (a) Require grant recipients to incorporate the environmental
2 benefits of the project into their grant applications;

3 (b) Utilize the statement of environmental benefits, consideration,
4 except as provided in RCW 79.105.610, of whether the applicant is a
5 Puget Sound partner, as defined in RCW 90.71.010, whether a project is
6 referenced in the action agenda developed by the Puget Sound
7 partnership under RCW 90.71.310, and except as otherwise provided in
8 RCW 79.105.630, and effective one calendar year following the
9 development and statewide availability of model evergreen community
10 management plans and ordinances under RCW 35.105.050, whether the
11 applicant is an entity that has been recognized, and what gradation of
12 recognition was received, in the evergreen community recognition
13 program created in RCW 35.105.030 in its prioritization and selection
14 process; and

15 (c) Develop appropriate outcome-focused performance measures to be
16 used both for management and performance assessment of the grants.

17 (3) To the extent possible, the department should coordinate its
18 performance measure system with other natural resource-related agencies
19 as defined in RCW 43.41.270.

20 (4) The department shall consult with affected interest groups in
21 implementing this section.

22 (5) After January 1, 2010, any project designed to address the
23 restoration of Puget Sound may be funded under this chapter only if the
24 project is not in conflict with the action agenda developed by the
25 Puget Sound partnership under RCW 90.71.310.

26 **Sec. 924.** RCW 80.01.080 and 2010 1st sp.s. c 37 s 950 are each
27 amended to read as follows:

28 There is created in the state treasury a public service revolving
29 fund. Regulatory fees payable by all types of public service companies
30 shall be deposited to the credit of the public service revolving fund.
31 Except for expenses payable out of the pipeline safety account, all
32 expense of operation of the Washington utilities and transportation
33 commission shall be payable out of the public service revolving fund.

34 During the ((2009-2011)) 2011-2013 fiscal biennium, the legislature
35 may transfer from the public service revolving fund to the state
36 general fund such amounts as reflect the excess fund balance of the
37 fund.

1 **Sec. 925.** 2010 c 23 s 205 (uncodified) is amended to read as
2 follows:

3 (1) The legislature finds that this state's tax policy with respect
4 to the taxation of transactions between affiliated entities and the
5 income derived from such transactions (intercompany transactions) has
6 motivated some taxpayers to engage in transactions designed solely or
7 primarily to minimize the tax effects of intercompany transactions.
8 The legislature further finds that some intercompany transactions
9 result from taxpayers that are required to establish affiliated
10 entities to comply with regulatory mandates and that transactions
11 between such affiliates effectively increases the tax burden in this
12 state on the affiliated group of entities.

13 (2) Therefore, as existing resources allow, the department of
14 revenue is directed to conduct a review of the state's tax policy with
15 respect to the taxation of intercompany transactions. The review must
16 include the impacts of such transactions under the state's business and
17 occupation tax and state and local sales and use taxes. The department
18 may include other taxes in the review as it deems appropriate.

19 (3) In conducting the review, the department must examine how this
20 state's tax policy compares to the tax policy of other states with
21 respect to the taxation of intercompany transactions. The department's
22 review must include an analysis of potential alternatives to the
23 current policy of taxing intercompany transactions, including their
24 estimated revenue impacts if practicable.

25 (4) In conducting this review, the department may seek input from
26 members of the business community and others as it deems appropriate.

27 (5) The department must report its findings to the fiscal
28 committees of the house of representatives and senate by December 1,
29 2010. However, if the department has not completed its review by
30 December 1, 2010, the department must provide the fiscal committees of
31 the legislature with a brief status report by December 1, 2010, and the
32 final report by December 1, (~~2011~~) 2012.

33 NEW SECTION. **Sec. 926.** If any provision of this act or its
34 application to any person or circumstance is held invalid, the
35 remainder of the act or the application of the provision to other
36 persons or circumstances is not affected.

1 NEW SECTION. **Sec. 927.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and takes effect
4 immediately.

(End of bill)

INDEX	PAGE #
ADMINISTRATOR FOR THE COURTS	7
ATTORNEY GENERAL	16
BELATED CLAIMS	192
BOARD OF INDUSTRIAL INSURANCE APPEALS	91
BOARD OF TAX APPEALS	30
CASELOAD FORECAST COUNCIL	19
CENTRAL WASHINGTON UNIVERSITY	177
CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS	16
COLLECTIVE BARGAINING AGREEMENT FOR FISCAL YEAR 2012	
TERMS AND CONDITIONS	210
COLLECTIVE BARGAINING AGREEMENT	
EASTERN WASHINGTON UNIVERSITY--WFSE	212
WESTERN WASHINGTON UNIVERSITY--PUBLIC SCHOOL EMPLOYEES OF WASHINGTON . . .	211
WESTERN WASHINGTON UNIVERSITY--WFSE	212
WPEA, WPEA CC COALITION, WFSE CC COALITION, WFSE CWU, WFSE TESC	210
YAKIMA VALLEY COMMUNITY COLLEGE--WASHINGTON PUBLIC EMPLOYEES ASSOCIATION	211
COLUMBIA RIVER GORGE COMMISSION	108
COMMISSION ON AFRICAN-AMERICAN AFFAIRS	28
COMMISSION ON ASIAN PACIFIC AMERICAN AFFAIRS	14
COMMISSION ON HISPANIC AFFAIRS	28
COMPENSATION	
NONREPRESENTED EMPLOYEES--INSURANCE BENEFITS	212
REPRESENTED EMPLOYEES OUTSIDE SUPER COALITION--INSURANCE BENEFITS .	214, 215
CONSERVATION COMMISSION	114
CRIMINAL JUSTICE TRAINING COMMISSION	91
DEPARTMENT OF AGRICULTURE	121
DEPARTMENT OF COMMERCE	20
DEPARTMENT OF CORRECTIONS	101
DEPARTMENT OF EARLY LEARNING	184
DEPARTMENT OF ECOLOGY	108
DEPARTMENT OF ENTERPRISE SERVICES	34
DEPARTMENT OF FISH AND WILDLIFE	115
DEPARTMENT OF HEALTH	96
COUNTY PUBLIC HEALTH ASSISTANCE	190
DEPARTMENT OF LABOR AND INDUSTRIES	93
DEPARTMENT OF LICENSING	124

DEPARTMENT OF NATURAL RESOURCES	118
DISTRIBUTION OF EXCESS FUNDS FROM THE FOREST DEVELOPMENT ACCOUNT	193
DEPARTMENT OF RETIREMENT SYSTEMS--OPERATIONS	29
DEPARTMENT OF REVENUE	30
DEPARTMENT OF SERVICES FOR THE BLIND	105
DEPARTMENT OF SOCIAL AND HEALTH SERVICES	37
ADMINISTRATION AND SUPPORTING SERVICES PROGRAM	74
AGING AND ADULT SERVICES PROGRAM	62
ALCOHOL AND SUBSTANCE ABUSE PROGRAM	71
CHILDREN AND FAMILY SERVICES PROGRAM	40
DEVELOPMENTAL DISABILITIES PROGRAM	55
ECONOMIC SERVICES PROGRAM	68
JUVENILE REHABILITATION PROGRAM	43
MENTAL HEALTH PROGRAM	48
PAYMENTS TO OTHER AGENCIES PROGRAM	75
SPECIAL COMMITMENT PROGRAM	74
VOCATIONAL REHABILITATION PROGRAM	73
DEPARTMENT OF VETERANS AFFAIRS	95
EASTERN WASHINGTON UNIVERSITY	176
ECONOMIC AND REVENUE FORECAST COUNCIL	25
EMPLOYMENT SECURITY DEPARTMENT	106
ENVIRONMENTAL AND LAND USE HEARINGS OFFICE	114
EVERGREEN STATE COLLEGE	177
GOVERNOR ' S OFFICE OF INDIAN AFFAIRS	14
HOUSE OF REPRESENTATIVES	2
HUMAN RIGHTS COMMISSION	90
INNOVATE WASHINGTON	36
INSURANCE COMMISSIONER	30
JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE	2
JOINT LEGISLATIVE SYSTEMS COMMITTEE	5
LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE	4
LIEUTENANT GOVERNOR	11
LIQUOR CONTROL BOARD	31
LOCAL GOVERNMENT FINANCING	216
MILITARY DEPARTMENT	32
OFFICE OF ADMINISTRATIVE HEARINGS	28
OFFICE OF CIVIL LEGAL AID	10
OFFICE OF FINANCIAL MANAGEMENT	25
ARCHIVE SERVICES REDUCTION	196

AUDIT SERVICES ADJUSTMENTS	195
CENTRAL SERVICE CHARGES ADJUSTMENTS	195
CENTRAL SERVICE REDUCTIONS	197
CENTRAL SERVICE SAVINGS	197
CONSOLIDATED TECHNOLOGY SERVICES	198
ENTERPRISE SERVICES	198
EXTRAORDINARY CRIMINAL JUSTICE COSTS	192
INFORMATION TECHNOLOGY	198
LEGAL SERVICES REDUCTION	196
LOCAL GOVERNMENT CONTINGENCY	199
PERSONNEL SERVICES	193
OFFICE OF FINANCIAL MANAGEMENT--REVISED EMPLOYER HEALTH BENEFIT RATES	189
OFFICE OF LEGISLATIVE SUPPORT SERVICES	6
OFFICE OF MINORITY AND WOMEN ' S BUSINESS ENTERPRISES	30
OFFICE OF PUBLIC DEFENSE	9
OFFICE OF THE GOVERNOR	11
OFFICE OF THE STATE ACTUARY	4
OFFICE OF THE STUDENT ACHIEVEMENT COUNCIL	
OFFICE OF STUDENT FINANCIAL ASSISTANCE	182
POLICY COORDINATION AND ADMINISTRATION	181
PROGRAMS FOR HIGHLY CAPABLE STUDENTS	157
PUBLIC DISCLOSURE COMMISSION	12
PUBLIC EMPLOYMENT RELATIONS COMMISSION	33
PUGET SOUND PARTNERSHIP	123
RECREATION AND CONSERVATION FUNDING BOARD	113
REDISTRICTING COMMISSION	6
SECRETARY OF STATE	12
SENATE	2
STATE AUDITOR	15
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES	171
STATE HEALTH CARE AUTHORITY	76
STATE PARKS AND RECREATION COMMISSION	112
STATE PATROL	125
STATE SCHOOL FOR THE BLIND	187
STATE TREASURER	15
BOND RETIREMENT AND INTEREST: DEBT REIMBURSED AS PRESCRIBED BY STATUTE	188
BOND RETIREMENT AND INTEREST: DEBT SUBJECT TO THE DEBT LIMIT	188
COUNTY CRIMINAL JUSTICE ASSISTANCE ACCOUNT	204
EDUCATION FUNDING STUDY	200

LOCAL PUBLIC HEALTH DISTRICT DISTRIBUTION	200
MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT	205
STATE REVENUES FOR DISTRIBUTION	203
TRANSFERS	205
STATUTE LAW COMMITTEE	5
SUNDRY CLAIMS	199
SUPERINTENDENT OF PUBLIC INSTRUCTION	128, 168
BASIC EDUCATION EMPLOYEE COMPENSATION	146
EDUCATION REFORM PROGRAMS	158
EDUCATIONAL SERVICE DISTRICTS	154
GENERAL APPORTIONMENT	133
INSTITUTIONAL EDUCATION PROGRAMS	156
LEARNING ASSISTANCE PROGRAM	166
LOCAL EFFORT ASSISTANCE	155
PUPIL TRANSPORTATION	150
SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS	149
SPECIAL EDUCATION PROGRAMS	152
TRANSITIONAL BILINGUAL PROGRAMS	164
SUPREME COURT	6
UNIVERSITY OF WASHINGTON	173
UTILITIES AND TRANSPORTATION COMMISSION	31
WASHINGTON POLLUTION LIABILITY INSURANCE PROGRAM	122
WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS	187
WASHINGTON STATE LOTTERY	28
WASHINGTON STATE UNIVERSITY	175
WESTERN WASHINGTON UNIVERSITY	180
WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD	184

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