



**PROPOSED SENATE
2009-11
OPERATING BUDGET
PROPOSED SUBSTITUTE
SENATE BILL 5600**

SENATE CHAIR
(REVISED)

**SENATE WAYS & MEANS COMMITTEE
APRIL 15, 2009**

1 AN ACT Relating to fiscal matters; amending RCW 2.68.020,
2 28A.500.030, 28B.76.660, 28B.105.110, 38.52.106, 41.48.060, 41.50.110,
3 43.08.190, 43.09.475, 43.10.180, 43.19.501, 43.30.720, 43.79.201,
4 43.79.480, 43.79.460, 43.83B.360, 43.155.050, 43.215.125, 43.325.040,
5 43.330.250, 46.66.080, 50.16.010, 66.08.170, 67.70.190, 70.93.180,
6 71.24.310, 74.08A.340, 77.32.010, 79.64.040, 79A.25.080, 79.105.150,
7 80.01.080, and 86.26.007; reenacting and amending RCW 43.135.045,
8 46.09.170, 67.40.040, and 70.105D.070; creating new sections; making
9 appropriations; providing expiration dates; and declaring an emergency.

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

11 NEW SECTION. **Sec. 1.** (1) A budget is hereby adopted and, subject
12 to the provisions set forth in the following sections, the several
13 amounts specified in parts I through IX of this act, or so much thereof
14 as shall be sufficient to accomplish the purposes designated, are
15 hereby appropriated and authorized to be incurred for salaries, wages,
16 and other expenses of the agencies and offices of the state and for
17 other specified purposes for the fiscal biennium beginning July 1,
18 2009, and ending June 30, 2011, except as otherwise provided, out of
19 the several funds of the state hereinafter named.

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

(a) "Fiscal year 2010" or "FY 2010" means the fiscal year ending June 30, 2010.

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

(c) "FTE" means full time equivalent.

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

(e) "Provided solely" means the specified amount may be spent only for the specified purpose. Unless otherwise specifically authorized in this act, any portion of an amount provided solely for a specified purpose which is not expended subject to the specified conditions and limitations to fulfill the specified purpose shall lapse.

PART I

GENERAL GOVERNMENT

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

General Fund--State Appropriation (FY 2010)	. . . . .	\$33,497,000
General Fund--State Appropriation (FY 2011)	. . . . .	\$33,928,000
TOTAL APPROPRIATION	. . . . .	\$67,425,000

NEW SECTION. Sec. 102. FOR THE SENATE

General Fund--State Appropriation (FY 2010)	. . . . .	\$25,257,000
General Fund--State Appropriation (FY 2011)	. . . . .	\$27,414,000
TOTAL APPROPRIATION	. . . . .	\$52,671,000

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

Performance Audits of Government Account--State		
Appropriation	. . . . .	\$5,811,000

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

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

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

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

15 (4) Within the amounts appropriated in this section, the committee
16 shall prepare an evaluation of the implementation of legislation
17 designed to improve communication, collaboration, and expedited
18 medicaid attainment with regard to persons released from confinement
19 who have mental health or chemical dependency disorders. The review
20 shall evaluate the implementation of: (a) Chapter 166, Laws of 2004
21 (E2SSB 6358); (b) sections 507 and 508 of chapter 504, Laws of 2005
22 (E2SSB 5763); (c) sections 12 and 13 of chapter 503, Laws of 2005
23 (E2SHB 1290); and (d) section 8 of chapter 359, Laws of 2007 (2SHB
24 1088). The departments of corrections and social and health services,
25 the administrative office of the courts, institutions for mental
26 disease, city and county jails, city and county courts, county clerks,
27 and mental health and chemical dependency treatment providers shall
28 provide the committee with information necessary for the study.

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

31 Performance Audits of Government Account--State
32 Appropriation \$3,728,000

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

34 General Fund--State Appropriation (FY 2010) \$200,000
35 General Fund--State Appropriation (FY 2011) \$25,000
36 Department of Retirement Systems Expense

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

2	General Fund--State Appropriation (FY 2010)	\$4,674,000
3	General Fund--State Appropriation (FY 2011)	\$5,082,000
4	TOTAL APPROPRIATION	\$9,756,000

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

6	General Fund--State Appropriation (FY 2011)	\$630,000
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7 NEW SECTION. **Sec. 109. LEGISLATIVE AGENCIES.** In order to achieve
8 operating efficiencies within the financial resources available to the
9 legislative branch, the executive rules committee of the house of
10 representatives and the facilities and operations committee of the
11 senate by joint action may transfer funds among the house of
12 representatives, senate, joint legislative audit and review committee,
13 legislative evaluation and accountability program committee,
14 legislative transportation committee, office of the state actuary,
15 joint legislative systems committee, and statute law committee.

16 NEW SECTION. **Sec. 110. FOR THE SUPREME COURT**

17	General Fund--State Appropriation (FY 2010)	\$7,221,000
18	General Fund--State Appropriation (FY 2011)	\$7,240,000
19	TOTAL APPROPRIATION	\$14,461,000

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

28 NEW SECTION. **Sec. 111. FOR THE LAW LIBRARY**

29	General Fund--State Appropriation (FY 2010)	\$1,791,000
30	General Fund--State Appropriation (FY 2011)	\$1,785,000
31	TOTAL APPROPRIATION	\$3,576,000

32 The appropriations in this section are subject to the following
33 conditions and limitations: It is the intent of the legislature that
34 the reductions in appropriations in this section shall be achieved, to

1 the greatest extent possible, by reducing those state government
2 administrative costs that do not affect direct client services or
3 direct service delivery or programs. The agency shall, to the greatest
4 extent possible, reduce spending in those areas that shall have the
5 least impact on implementing its mission.

6 **NEW SECTION. Sec. 112. FOR THE COURT OF APPEALS**

7	General Fund--State Appropriation (FY 2010)	\$16,485,000
8	General Fund--State Appropriation (FY 2011)	\$16,543,000
9	TOTAL APPROPRIATION	\$33,028,000

10 The appropriations in this section are subject to the following
11 conditions and limitations: It is the intent of the legislature that
12 the reductions in appropriations in this section shall be achieved, to
13 the greatest extent possible, by reducing those state government
14 administrative costs that do not affect direct client services or
15 direct service delivery or programs. The agency shall, to the greatest
16 extent possible, reduce spending in those areas that shall have the
17 least impact on implementing its mission.

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

19	General Fund--State Appropriation (FY 2010)	\$1,076,000
20	General Fund--State Appropriation (FY 2011)	\$1,124,000
21	TOTAL APPROPRIATION	\$2,200,000

22 The appropriations in this section are subject to the following
23 conditions and limitations: It is the intent of the legislature that
24 the reductions in appropriations in this section shall be achieved, to
25 the greatest extent possible, by reducing those state government
26 administrative costs that do not affect direct client services or
27 direct service delivery or programs. The agency shall, to the greatest
28 extent possible, reduce spending in those areas that shall have the
29 least impact on implementing its mission.

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

31	General Fund--State Appropriation (FY 2010)	\$57,512,000
32	General Fund--State Appropriation (FY 2011)	\$57,275,000
33	Judicial Information Systems Account--State	
34	Appropriation	\$31,321,000
35	TOTAL APPROPRIATION	\$146,108,000

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

3 (1) \$1,800,000 of the general fund--state appropriation for fiscal
4 year 2010 and \$1,800,000 of the general fund--state appropriation for
5 fiscal year 2011 are provided solely for school districts for petitions
6 to juvenile court for truant students as provided in RCW 28A.225.030
7 and 28A.225.035. The office of the administrator for the courts shall
8 develop an interagency agreement with the superintendent of public
9 instruction to allocate the funding provided in this subsection.
10 Allocation of this money to school districts shall be based on the
11 number of petitions filed. This funding includes amounts school
12 districts may expend on the cost of serving petitions filed under RCW
13 28A.225.030 by certified mail or by personal service or for the
14 performance of service of process for any hearing associated with RCW
15 28A.225.030.

16 (2)(a) \$8,252,000 of the general fund--state appropriation for
17 fiscal year 2010 and \$8,253,000 of the general fund--state
18 appropriation for fiscal year 2011 are provided solely for distribution
19 to county juvenile court administrators to fund the costs of processing
20 truancy, children in need of services, and at-risk youth petitions.
21 The administrator for the courts, in conjunction with the juvenile
22 court administrators, shall develop an equitable funding distribution
23 formula. The formula shall neither reward counties with higher than
24 average per-petition processing costs nor shall it penalize counties
25 with lower than average per-petition processing costs.

26 (b) Each fiscal year during the 2009-11 fiscal biennium, each
27 county shall report the number of petitions processed and the total
28 actual costs of processing truancy, children in need of services, and
29 at-risk youth petitions. Counties shall submit the reports to the
30 administrator for the courts no later than 45 days after the end of the
31 fiscal year. The administrator for the courts shall electronically
32 transmit this information to the chairs and ranking minority members of
33 the house of representatives appropriations committee and the senate
34 ways and means committee no later than 60 days after a fiscal year
35 ends. These reports are deemed informational in nature and are not for
36 the purpose of distributing funds.

37 (3) The distributions made under this subsection and distributions
38 from the county criminal justice assistance account made pursuant to

1 section 801 of this act constitute appropriate reimbursement for costs
2 for any new programs or increased level of service for purposes of RCW
3 43.135.060.

4 (4) \$106,000 of the general fund--state appropriation for fiscal
5 year 2010 and \$106,000 of the general fund--state appropriation for
6 fiscal year 2011 are provided solely for the twenty-third superior
7 court judge position in Pierce county. The funds appropriated in this
8 subsection shall be expended only if the judge is appointed and serving
9 on the bench.

10 (5) It is the intent of the legislature that the reductions in
11 appropriations in this section shall be achieved, to the greatest
12 extent possible, by reducing those state government administrative
13 costs that do not affect direct client services or direct service
14 delivery or programs. The agency shall, to the greatest extent
15 possible, reduce spending in those areas that shall have the least
16 impact on implementing its mission.

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

19 **FOR THE OFFICE OF PUBLIC DEFENSE**

20	General Fund--State Appropriation (FY 2010)	\$25,617,000
21	General Fund--State Appropriation (FY 2011)	\$25,548,000
22	TOTAL APPROPRIATION	\$51,165,000

23 The appropriations in this section are subject to the following
24 conditions and limitations: It is the intent of the legislature that
25 the reductions in appropriations in this section shall be achieved, to
26 the greatest extent possible, by reducing those state government
27 administrative costs that do not affect direct client services or
28 direct service delivery or programs. The agency shall, to the greatest
29 extent possible, reduce spending in those areas that shall have the
30 least impact on implementing its mission.

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

32	General Fund--State Appropriation (FY 2010)	\$9,450,000
33	General Fund--State Appropriation (FY 2011)	\$9,448,000
34	TOTAL APPROPRIATION	\$18,898,000

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

1 (1) An amount not to exceed \$40,000 of the general fund--state
 2 appropriation for fiscal year 2010 and an amount not to exceed \$40,000
 3 of the general fund--state appropriation for fiscal year 2011 may be
 4 used to provide telephonic legal advice and assistance to otherwise
 5 eligible persons who are sixty years of age or older on matters
 6 authorized by RCW 2.53.030(2) (a) through (k) regardless of household
 7 income or asset level.

8 (2) It is the intent of the legislature that the reductions in
 9 appropriations in this section shall be achieved, to the greatest
 10 extent possible, by reducing those state government administrative
 11 costs that do not affect direct client services or direct service
 12 delivery or programs. The agency shall, to the greatest extent
 13 possible, reduce spending in those areas that shall have the least
 14 impact on implementing its mission.

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

16	General Fund--State Appropriation (FY 2010)	\$6,270,000
17	General Fund--State Appropriation (FY 2011)	\$6,250,000
18	TOTAL APPROPRIATION	\$12,520,000

19 NEW SECTION. **Sec. 118. FOR THE LIEUTENANT GOVERNOR**

20	General Fund--State Appropriation (FY 2010)	\$782,000
21	General Fund--State Appropriation (FY 2011)	\$798,000
22	General Fund--Private/Local Appropriation	\$90,000
23	TOTAL APPROPRIATION	\$1,670,000

24 NEW SECTION. **Sec. 119. FOR THE PUBLIC DISCLOSURE COMMISSION**

25	General Fund--State Appropriation (FY 2010)	\$2,273,000
26	General Fund--State Appropriation (FY 2011)	\$2,262,000
27	TOTAL APPROPRIATION	\$4,535,000

28 NEW SECTION. **Sec. 120. FOR THE SECRETARY OF STATE**

29	General Fund--State Appropriation (FY 2010)	\$21,446,000
30	General Fund--State Appropriation (FY 2011)	\$17,561,000
31	General Fund--Federal Appropriation	\$8,158,000
32	Archives and Records Management Account--State	
33	Appropriation	\$8,911,000
34	Department of Personnel Service Account--State	

1	Appropriation	\$765,000
2	Local Government Archives Account--State Appropriation . .	\$11,833,000
3	Election Account--Federal Appropriation	\$29,730,000
4	TOTAL APPROPRIATION	\$98,404,000

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

7 (1) \$4,101,000 of the general fund--state appropriation for fiscal
8 year 2010 is provided solely to reimburse counties for the state's
9 share of primary and general election costs and the costs of conducting
10 mandatory recounts on state measures. Counties shall be reimbursed
11 only for those odd-year election costs that the secretary of state
12 validates as eligible for reimbursement.

13 (2)(a) \$1,897,000 of the general fund--state appropriation for
14 fiscal year 2010 and \$2,076,000 of the general fund--state
15 appropriation for fiscal year 2011 are provided solely for contracting
16 with a nonprofit organization to produce gavel-to-gavel television
17 coverage of state government deliberations and other events of
18 statewide significance during the 2009-2011 biennium. The funding
19 level for each year of the contract shall be based on the amount
20 provided in this subsection. The nonprofit organization shall be
21 required to raise contributions or commitments to make contributions,
22 in cash or in kind, in an amount equal to forty percent of the state
23 contribution. The office of the secretary of state may make full or
24 partial payment once all criteria in this subsection have been
25 satisfactorily documented.

26 (b) The legislature finds that the commitment of on-going funding
27 is necessary to ensure continuous, autonomous, and independent coverage
28 of public affairs. For that purpose, the secretary of state shall
29 enter into a contract with the nonprofit organization to provide public
30 affairs coverage.

31 (c) The nonprofit organization shall prepare an annual independent
32 audit, an annual financial statement, and an annual report, including
33 benchmarks that measure the success of the nonprofit organization in
34 meeting the intent of the program.

35 (d) No portion of any amounts disbursed pursuant to this subsection
36 may be used, directly or indirectly, for any of the following purposes:

37 (i) Attempting to influence the passage or defeat of any
38 legislation by the legislature of the state of Washington, by any

1 county, city, town, or other political subdivision of the state of
2 Washington, or by the congress, or the adoption or rejection of any
3 rule, standard, rate, or other legislative enactment of any state
4 agency;

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

8 (3) The appropriations in this section are based upon savings
9 assumed from the implementation of Senate Bill No. 6122 (election
10 costs).

11 (4) The secretary of state shall not reduce the services provided
12 by the talking book and Braille library below the service level
13 provided in fiscal year 2008.

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

16	General Fund--State Appropriation (FY 2010)	\$198,000
17	General Fund--State Appropriation (FY 2011)	\$207,000
18	TOTAL APPROPRIATION	\$405,000

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

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

31	General Fund--State Appropriation (FY 2010)	\$164,000
32	General Fund--State Appropriation (FY 2011)	\$151,000
33	TOTAL APPROPRIATION	\$315,000

34 NEW SECTION. **Sec. 123. FOR THE STATE TREASURER**

35 State Treasurer's Service Account--State

1 Appropriation \$15,021,000

2 NEW SECTION. **Sec. 124. FOR THE STATE AUDITOR**

3 General Fund--State Appropriation (FY 2010) \$733,000

4 General Fund--State Appropriation (FY 2011) \$738,000

5 State Auditing Services Revolving

6 Account--State Appropriation \$12,480,000

7 TOTAL APPROPRIATION \$13,951,000

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

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

15 (2) \$752,000 of the general fund--state appropriation for fiscal
16 year 2010 and \$762,000 of the general fund--state appropriation for
17 fiscal year 2011 are provided solely for staff and related costs to
18 verify the accuracy of reported school district data submitted for
19 state funding purposes; conduct school district program audits of state
20 funded public school programs; establish the specific amount of state
21 funding adjustments whenever audit exceptions occur and the amount is
22 not firmly established in the course of regular public school audits;
23 and to assist the state special education safety net committee when
24 requested.

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

27 General Fund--State Appropriation (FY 2010) \$157,000

28 General Fund--State Appropriation (FY 2011) \$224,000

29 TOTAL APPROPRIATION \$381,000

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

31 General Fund--State Appropriation (FY 2010) \$5,989,000

32 General Fund--State Appropriation (FY 2011) \$6,294,000

33 General Fund--Federal Appropriation \$4,026,000

34 New Motor Vehicle Arbitration Account--State

35 Appropriation \$1,356,000

1	Legal Services Revolving Account--State Appropriation . . .	\$223,974,000
2	Tobacco Prevention and Control Account--State	
3	Appropriation	\$270,000
4	TOTAL APPROPRIATION	\$241,909,000

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

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

17 (2) Prior to entering into any negotiated settlement of a claim
18 against the state that exceeds five million dollars, the attorney
19 general shall notify the director of financial management and the
20 chairs of the senate committee on ways and means and the house of
21 representatives committee on ways and means.

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

29 (4) \$82,000 of the fiscal year 2010 general fund--state
30 appropriation and \$82,000 of the fiscal year 2011 general fund--state
31 appropriation are provided solely to implement Second Substitute Senate
32 Bill No. 5850 (human trafficking violations). If the bill is not
33 enacted by June 30, 2009, the amounts provided in this subsection shall
34 lapse.

35 NEW SECTION. **Sec. 127. FOR THE CASELOAD FORECAST COUNCIL**

36	General Fund--State Appropriation (FY 2010)	\$793,000
37	General Fund--State Appropriation (FY 2011)	\$790,000

1 (2) Repayments of outstanding loans granted under RCW 43.63A.600,
2 the mortgage and rental assistance program, shall be remitted to the
3 department, including any current revolving account balances. The
4 department shall collect payments on outstanding loans, and deposit
5 them into the state general fund. Repayments of funds owed under the
6 program shall be remitted to the department according to the terms
7 included in the original loan agreements.

8 (3) \$100,000 of the general fund--state appropriation for fiscal
9 year 2010 and \$100,000 of the general fund--state appropriation for
10 fiscal year 2011 are provided solely to implement section 2(7) of
11 Engrossed Substitute House Bill No. 1959 (land use and transportation
12 planning for marine container ports). If the bill is not enacted by
13 June 30, 2009, the amounts provided in this subsection shall lapse.

14 (4) \$45,000 of the building code council account--state
15 appropriation is provided solely for the implementation of Engrossed
16 Substitute Senate Bill No. 5895 (residential real property). If the
17 bill is not enacted by June 30, 2009, the amount provided in this
18 subsection shall lapse.

19 (5) \$102,000 of the building code council account--state
20 appropriation is provided solely for the implementation of sections 3
21 and 7 of Engrossed Second Substitute Senate Bill No. 5854 (building
22 efficiency). If sections 3 and 7 of the bill are not enacted by June
23 30, 2009, the amounts provided in this subsection shall lapse.

24 (6) \$1,350,000 of the general fund--federal appropriation is
25 provided solely for the implementation of Engrossed Second Substitute
26 Senate Bill No. 5649 (energy efficient buildings). If the bill is not
27 enacted by June 30, 2009, the amount provided in this subsection shall
28 lapse.

29 (7) \$28,000 of the general fund--state appropriation for fiscal
30 year 2010 is provided solely for the implementation of Engrossed Second
31 Substitute Senate Bill No. 5560 (state agency climate leadership). If
32 the bill is not enacted by June 30, 2009, the amount provided in this
33 subsection shall lapse.

34 (8) \$22,000 of the general fund--state appropriation for fiscal
35 year 2010 and \$20,000 of the general fund--state appropriation for
36 fiscal year 2011 are provided solely for the implementation of
37 Engrossed Second Substitute Senate Bill No. 5138 (integrated climate

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

3 (9) Associate development organizations receiving funding through
4 the appropriations in this section shall work with the community and
5 technical colleges to better align workforce and economic development
6 programs within industry clusters identified by the associate
7 development associations as necessary to deploy funds in response to
8 high-demand fields and consistent with Engrossed Second Substitute
9 Senate Bill No. 5809 (revising unemployment compensation and workforce
10 training provisions). The workforce programs should be consistent with
11 industry clusters identified by the associate development organization
12 and approved by a private industry partner within the industry cluster.

13 (10) \$500,000 of the general fund--federal appropriation is
14 provided solely for implementation of Substitute Senate Bill No. 5921
15 (clean energy collaborative). If the bill is not enacted by June 30,
16 2009, the amount provided in this subsection shall lapse.

17 (11) \$22,400,000 of the general fund--federal appropriation is
18 provided solely for the justice assistance grant program and is
19 contingent upon the department transferring \$6,400,000 to the
20 department of corrections for security threat mitigation and \$1,700,000
21 to the Washington state patrol for law enforcement activities. The
22 remaining funds shall be distributed by the department to local
23 jurisdictions.

24 (12) \$20,000 of the general fund--state appropriation for fiscal
25 year 2010 and \$20,000 of the general fund--state appropriation for
26 fiscal year 2011 are provided solely for a grant to KCTS public
27 television to support Spanish language programming and the V-me Spanish
28 language channel.

29 (13) \$500,000 of the general fund--state appropriation for fiscal
30 year 2010 and \$500,000 of the general fund--state appropriation for
31 fiscal year 2011 are provided solely for a grant to resolution
32 Washington to building statewide capacity for alternative dispute
33 resolution centers and dispute resolution programs that guarantee that
34 citizens have access to low-cost resolution as an alternative to
35 litigation.

36 (14) \$142,000 of the general fund--state appropriation for fiscal
37 year 2010 is provided solely for implementation of Engrossed Substitute

1 Senate Bill No. 5840 (energy independence). If the bill is not enacted
2 by June 30, 2009, the amount provided in this subsection shall lapse.

3 (15) \$30,000 of the general fund--state appropriation for fiscal
4 year 2010 is provided solely for implementation of Engrossed Second
5 Substitute Senate Bill No. 6015 (commercialization of technology). If
6 the bill is not enacted by June 30, 2009, the amount provided in this
7 subsection shall lapse.

8 (16) By June 30, 2011, the department shall request information
9 from jurisdictions that are required to review and if necessary revise
10 their comprehensive plans by December 1, 2011, in accordance with RCW
11 36.70A.130, that demonstrates that the jurisdictions have adopted or
12 are in the process of adopting standards that help achieve the
13 greenhouse gas emission reductions established in RCW 70.235.020 as
14 required by RCW 36.70A.020(10).

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

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

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

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

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

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

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

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

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

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

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

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

17 (20) \$100,000 of the general fund--state appropriation for fiscal
 18 year 2010 and \$100,000 of the general fund--state appropriation for
 19 fiscal year 2011 are provided solely for a contract with the University
 20 of Washington college of forest resources' center for international
 21 trade in forest products.

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

24	General Fund--State Appropriation (FY 2010)	\$801,000
25	General Fund--State Appropriation (FY 2011)	\$755,000
26	TOTAL APPROPRIATION	\$1,556,000

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

28	General Fund--State Appropriation (FY 2010)	\$20,427,000
29	General Fund--State Appropriation (FY 2011)	\$19,511,000
30	General Fund--Federal Appropriation	\$23,610,000
31	General Fund--Private/Local Appropriation	\$1,272,000
32	State Auditing Services Revolving	
33	Account--State Appropriation	\$25,000
34	Economic Development Strategic Reserve Account--	
35	State Appropriation	\$280,000
36	Performance Audits of Government Account--State	

1 Appropriation \$4,700,000
2 TOTAL APPROPRIATION \$69,825,000

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

5 (1) \$188,000 of the general fund--state appropriation for fiscal
6 year 2010 is provided solely for the implementation of Second
7 Substitute Senate Bill No. 5945 (Washington health partnership plan).

8 If the bill is not enacted by June 30, 2009, the amount provided in
9 this subsection shall lapse.

10 (2) \$542,000 of the general fund--state appropriation for fiscal
11 year 2010 and \$542,000 of the general fund--state appropriation for
12 fiscal year 2011 are provided solely for the implementation of
13 Engrossed Senate Bill No. 6048 (state's education system). If the bill
14 is not enacted by June 30, 2009, the accounts provided in this
15 subsection shall lapse.

16 (3) The office of financial management shall conduct a study on
17 alternatives for consolidating the state gambling commission and its
18 activities into an existing state entity to achieve cost savings and
19 consistency in regulation. In conducting the study, the office of
20 financial management shall consult with the legislative fiscal
21 committees. Further, the office of financial management shall
22 establish an advisory group to include, but not be limited to,
23 representatives of affected businesses, state agencies or entities,
24 local governments, and stakeholder groups. The office of financial
25 management shall submit a final report to the governor and the
26 legislative fiscal committees by November 15, 2009.

27 NEW SECTION. **Sec. 131. FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**
28 Administrative Hearings Revolving
29 Account--State Appropriation \$33,908,000

30 NEW SECTION. **Sec. 132. FOR THE DEPARTMENT OF PERSONNEL**
31 General Fund--State Appropriation (FY 2010) \$39,000
32 General Fund--State Appropriation (FY 2011) \$39,000
33 Department of Personnel Service Account--State
34 Appropriation \$22,389,000
35 Higher Education Personnel Services Account--State
36 Appropriation \$1,722,000

1 TOTAL APPROPRIATION \$24,189,000

2 The appropriations in this section are subject to the following
3 conditions and limitations: The department shall coordinate with the
4 governor's office of Indian affairs on providing the government-to-
5 government training sessions for federal, state, local, and tribal
6 government employees. The training sessions shall cover tribal
7 historical perspectives, legal issues, tribal sovereignty, and tribal
8 governments. Costs of the training sessions shall be recouped through
9 a fee charged to the participants of each session. The department
10 shall be responsible for all of the administrative aspects of the
11 training, including the billing and collection of the fees for the
12 training.

13 NEW SECTION. **Sec. 133. FOR THE WASHINGTON STATE LOTTERY**
14 Lottery Administrative Account--State Appropriation \$28,059,000

15 NEW SECTION. **Sec. 134. FOR THE COMMISSION ON HISPANIC AFFAIRS**
16 General Fund--State Appropriation (FY 2010) \$182,000
17 General Fund--State Appropriation (FY 2011) \$189,000
18 TOTAL APPROPRIATION \$371,000

19 NEW SECTION. **Sec. 135. FOR THE COMMISSION ON AFRICAN-AMERICAN**
20 **AFFAIRS**
21 General Fund--State Appropriation (FY 2010) \$171,000
22 General Fund--State Appropriation (FY 2011) \$172,000
23 TOTAL APPROPRIATION \$343,000

24 NEW SECTION. **Sec. 136. FOR THE DEPARTMENT OF RETIREMENT**
25 **SYSTEMS--OPERATIONS**
26 Department of Retirement Systems Expense
27 Account--State Appropriation \$48,293,000

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

30 (1) \$148,000 of the department of retirement systems--state
31 appropriation is provided solely for the administrative costs
32 associated with implementation of Senate Bill No. 5303 (transferring
33 members of retirement systems). If the bill is not enacted by June 30,
34 2009, the amount provided in this subsection shall lapse.

1 (2) \$12,000 of the department of retirement systems--state
2 appropriation is provided solely for the administrative costs
3 associated with implementation of Senate Bill No. 5542 or House Bill
4 No. 1678 (minimum disability benefits). If neither bill is enacted by
5 June 30, 2009, the amount provided in this subsection shall lapse.

6 (3) \$45,000 of the department of retirement systems expense
7 account--state appropriation is provided solely to implement Substitute
8 House Bill No. 1445 (Washington state patrol retirement system domestic
9 partners). If the bill is not enacted by June 30, 2009, the amount
10 provided in this subsection shall lapse.

11 (4) \$56,000 of the department of retirement systems expense
12 account--state appropriation is provided solely to implement House Bill
13 No. 1548 (military service credit purchases). If the bill is not
14 enacted by June 30, 2009, the amount provided in this subsection shall
15 lapse.

16 (5) \$35,000 of the department of retirement systems expense
17 account--state appropriation is provided solely to implement Substitute
18 House Bill No. 1953 (department of fish and wildlife enforcement
19 officers' past service credit). If the bill is not enacted by June 30,
20 2009, the amount provided in this subsection shall lapse.

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

22	General Fund--State Appropriation (FY 2010)	\$107,421,000
23	General Fund--State Appropriation (FY 2011)	\$107,731,000
24	Timber Tax Distribution Account--State Appropriation	\$5,969,000
25	Waste Reduction/Recycling/Litter	
26	Control--State Appropriation	\$131,000
27	Waste Tire Removal Account--State Appropriation	\$2,000
28	Real Estate Excise Tax Grant Account--State	
29	Appropriation	\$1,050,000
30	State Toxics Control Account--State Appropriation	\$89,000
31	Oil Spill Prevention Account--State Appropriation	\$18,000
32	TOTAL APPROPRIATION	\$222,411,000

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

35 (1) \$469,000 of the general fund--state appropriation for fiscal
36 year 2010 and \$374,000 of the general fund--state appropriation for

1 fiscal year 2011 are for the implementation of Substitute Senate Bill
2 No. 5368 (annual property revaluation). If the bill is not enacted by
3 June 30, 2009, the amounts in this subsection shall lapse.

4 (2) \$5,453,000 of the general fund--state appropriation for fiscal
5 year 2010 and \$5,242,000 of the general fund--state appropriation for
6 fiscal year 2011 are for the implementation of revenue enhancement
7 strategies. The strategies must include increased out-of-state
8 auditing and compliance, the purchase of third party data sources for
9 enhanced audit selection, and increased traditional auditing and
10 compliance efforts.

11 NEW SECTION. **Sec. 138. FOR THE STATE INVESTMENT BOARD**

12 State Investment Board Expense Account--State
13 Appropriation \$29,997,000

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

16 (1) \$2,471,000 of the state investment board expense account--state
17 appropriation is provided solely for development of a risk management
18 information system, with the intent that further expenditures for this
19 project be made only by appropriation.

20 (2) The state investment board shall include funding for any future
21 salary increases authorized under RCW 43.33A.100 in the agency's budget
22 request submitted in accordance with chapter 43.88 RCW in advance of
23 granting related salary increases. The biennial salary survey required
24 under RCW 43.33A.100 shall also be provided to the office of financial
25 management and to the fiscal committees of the legislature as part of
26 the state investment board's biennial budget submittal, and shall
27 include the total amount of compensation increases proposed, as well as
28 recommended salary ranges.

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

30 General Fund--State Appropriation (FY 2010) \$1,418,000
31 General Fund--State Appropriation (FY 2011) \$1,417,000
32 TOTAL APPROPRIATION \$2,835,000

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

34 County Research Services Account--State Appropriation \$940,000
35 City and Town Research Services--State Appropriation \$4,515,000

1 TOTAL APPROPRIATION \$5,455,000

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

4 OMWBE Enterprises Account--State Appropriation \$3,669,000

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

7 General Fund--State Appropriation (FY 2010) \$817,000

8 General Fund--State Appropriation (FY 2011) \$813,000

9 General Fund--Federal Appropriation \$5,661,000

10 General Administration Service Account--State
11 Appropriation \$36,021,000

12 TOTAL APPROPRIATION \$43,312,000

13 The appropriations in this section are subject to the following
14 conditions and limitations: \$28,000 of the general fund--state
15 appropriation for fiscal year 2010 and \$28,000 of the general fund--
16 state appropriation for fiscal year 2011 are provided solely for the
17 purposes of section 8 of Engrossed Second Substitute Senate Bill No.
18 5854 (built environment pollution). If section 8 of the bill is not
19 enacted by June 30, 2009, the amounts provided in this subsection shall
20 lapse.

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

23 General Fund--State Appropriation (FY 2010) \$1,106,000

24 General Fund--State Appropriation (FY 2011) \$1,105,000

25 General Fund--Federal Appropriation \$1,502,000

26 Data Processing Revolving Account--State Appropriation . . . \$7,905,000

27 TOTAL APPROPRIATION \$11,618,000

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

30 (1) \$100,000 of the general fund--state appropriation for fiscal
31 year 2010, \$100,000 of the general fund--state appropriation for fiscal
32 year 2011, and \$800,000 of the general fund--federal appropriation are
33 provided solely for the purposes of Engrossed Second Substitute House
34 Bill No. 1701 (high-speed internet), including expenditure for deposit

1 to the community technology opportunity account. If the bill is not
2 enacted by June 30, 2009, the amounts provided in this subsection shall
3 lapse.

4 (2) The department shall investigate opportunities to achieve
5 savings on information technology expenditures through: (a) Holistic
6 virtualization strategies; (b) wide-area network optimization
7 strategies; (c) replacement of traditional telephone communications
8 systems with alternatives; and (d) migration of external voice mail
9 systems to internal voice mail systems coordinated by the department.
10 The department shall consult with a systems integration firm in order
11 to assess the potential reduction in information technology
12 expenditures that can be achieved through the strategies identified in
13 this subsection. No later than July 1, 2010, the department shall
14 report its findings to the office of financial management and the
15 fiscal committees of the legislature.

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

17	General Fund--Federal Appropriation	\$1,952,000
18	Insurance Commissioners Regulatory Account--State	
19	Appropriation	\$48,572,000
20	TOTAL APPROPRIATION	\$50,524,000

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

23 (1) \$410,000 of the insurance commissioner's regulatory account
24 appropriation is provided solely to implement Substitute Senate Bill
25 No. 5480 (discount health plans). If the bill is not enacted by June
26 30, 2009, the amount provided in this subsection shall lapse.

27 (2) \$598,000 of the insurance commissioner's regulatory account
28 appropriation is provided solely to implement Substitute Senate Bill
29 No. 5195 (life settlements model act). If the bill is not enacted by
30 June 30, 2009, the amount provided in this subsection shall lapse.

31 (3) \$551,000 of the insurance commissioner's regulatory account
32 appropriation is provided solely to implement Second Substitute Senate
33 Bill No. 5346 (health care administration simplification). If the bill
34 is not enacted by June 30, 2009, the amount provided in this subsection
35 shall lapse.

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

2 Certified Public Accountants' Account--State

3 Appropriation \$3,045,000

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

5 Death Investigations Account--State Appropriation \$280,000

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

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

15 Horse Racing Commission Operating Account--State

16 Appropriation \$5,137,000

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

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

22 Liquor Control Board Construction and Maintenance

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

24 Liquor Revolving Account--State Appropriation \$202,097,000

25 TOTAL APPROPRIATION \$210,914,000

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

28 (1) \$1,306,000 of the liquor revolving account--state appropriation
29 is provided solely for the liquor control board to open five new state
30 stores.

31 (2) \$40,000 of the liquor revolving account--state appropriation is
32 provided solely for the liquor control board to open ten new contract
33 stores.

1 (3) \$3,059,000 of the liquor revolving account--state appropriation
2 is provided solely for the liquor control board to increase state and
3 local revenues from new retail strategies including opening nine state
4 stores on Sunday, opening state liquor stores on seven holidays,
5 opening six mall locations during the holiday season, and increasing
6 lottery sales.

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

8 Volunteer Firefighters' and Reserve Officers'
9 Administrative Account--State Appropriation \$1,031,000

10 NEW SECTION. **Sec. 150. FOR THE UTILITIES AND TRANSPORTATION**
11 **COMMISSION**

12 Public Service Revolving Account--State Appropriation . . . \$31,652,000
13 Pipeline Safety Account--State Appropriation \$3,221,000
14 Pipeline Safety Account--Federal Appropriation \$1,554,000
15 TOTAL APPROPRIATION \$36,427,000

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

17 General Fund--State Appropriation (FY 2010) \$10,297,000
18 General Fund--State Appropriation (FY 2011) \$10,311,000
19 General Fund--Federal Appropriation \$149,422,000
20 Enhanced 911 Account--State Appropriation \$39,624,000
21 Disaster Response Account--State Appropriation \$28,243,000
22 Disaster Response Account--Federal Appropriation \$91,263,000
23 Military Department Rent and Lease Account--State
24 Appropriation \$615,000
25 Military Department Active State Service Account--Federal
26 Appropriation \$200,000
27 Worker and Community Right-to-Know Account--State
28 Appropriation \$347,000
29 Nisqually Earthquake Account--State Appropriation \$144,000
30 Nisqually Earthquake Account--Federal Appropriation \$856,000
31 TOTAL APPROPRIATION \$331,322,000

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

34 (1) \$28,243,000 of the disaster response account--state
35 appropriation and \$91,263,000 of the disaster response account--federal

1 appropriation may be spent only on disasters declared by the governor
2 and with the approval of the office of financial management. The
3 military department shall submit a report quarterly to the office of
4 financial management and the legislative fiscal committees detailing
5 information on the disaster response account, including: (a) The
6 amount and type of deposits into the account; (b) the current available
7 fund balance as of the reporting date; and (c) the projected fund
8 balance at the end of the 2009-2011 biennium based on current revenue
9 and expenditure patterns.

10 (2) \$144,000 of the Nisqually earthquake account--state
11 appropriation and \$856,000 of the Nisqually earthquake account--federal
12 appropriation are provided solely for response and recovery costs
13 associated with the February 28, 2001, earthquake. The military
14 department shall submit a report quarterly to the office of financial
15 management and the legislative fiscal committees detailing earthquake
16 recovery costs, including: (a) Estimates of total costs; (b)
17 incremental changes from the previous estimate; (c) actual
18 expenditures; (d) estimates of total remaining costs to be paid; and
19 (e) estimates of future payments by biennium. This information shall
20 be displayed by fund, by type of assistance, and by amount paid on
21 behalf of state agencies or local organizations. The military
22 department shall also submit a report quarterly to the office of
23 financial management and the legislative fiscal committees detailing
24 information on the Nisqually earthquake account, including: (a) The
25 amount and type of deposits into the account; (b) the current available
26 fund balance as of the reporting date; and (c) the projected fund
27 balance at the end of the 2009-2011 biennium based on current revenue
28 and expenditure patterns.

29 (3) \$85,000,000 of the general fund--federal appropriation is
30 provided solely for homeland security, subject to the following
31 conditions:

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

35 (b) The department shall submit a quarterly report to the office of
36 financial management and the legislative fiscal committees detailing
37 the governor's domestic security advisory group recommendations;
38 homeland security revenues and expenditures, including estimates of

1 total federal funding for the state; incremental changes from the
2 previous estimate, planned and actual homeland security expenditures by
3 the state and local governments with this federal funding; and matching
4 or accompanying state or local expenditures; and

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

9 (4) \$500,000 of the general fund--state appropriation for fiscal
10 year 2010 and \$500,000 of the general fund--state appropriation for
11 fiscal year 2011 are provided solely for the military department to
12 contract with the Washington information network 2-1-1 to operate a
13 statewide 2-1-1 system. The department shall provide the entire amount
14 for 2-1-1 and shall use any of the funds for administrative purposes.

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

17	General Fund--State Appropriation (FY 2010)	\$3,110,000
18	General Fund--State Appropriation (FY 2011)	\$3,115,000
19	Department of Personnel Service Account--State	
20	Appropriation	\$3,269,000
21	TOTAL APPROPRIATION	\$9,494,000

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

24	General Fund--State Appropriation (FY 2010)	\$1,401,000
25	General Fund--State Appropriation (FY 2011)	\$1,380,000
26	General Fund--Federal Appropriation	\$1,668,000
27	General Fund--Private/Local Appropriation	\$14,000
28	TOTAL APPROPRIATION	\$4,463,000

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

30	General Fund--State Appropriation (FY 2010)	\$1,418,000
31	General Fund--State Appropriation (FY 2011)	\$1,426,000
32	TOTAL APPROPRIATION	\$2,844,000

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

34 State Convention and Trade Center Account--State

1	Appropriation	\$60,127,000
2	State Convention and Trade Center Operating	
3	Account--State Appropriation	\$56,995,000
4	TOTAL APPROPRIATION	\$117,122,000

(End of part)

PART II
HUMAN SERVICES

NEW SECTION. **Sec. 201. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES.** (1) Appropriations made in this act to the department of social and health services shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act except as expressly provided in this act, nor shall allotment modifications permit moneys that are provided solely for a specified purpose to be used for other than that purpose.

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

 (3) The appropriations to the department of social and health services in this act shall be expended for the programs and in the amounts specified in this act.

 (4) The department is authorized to develop an integrated health care program designed to slow the progression of illness and disability and better manage medicaid expenditures for the aged and disabled population. Under this Washington medicaid integration partnership (WMIP), the department may combine and transfer such medicaid funds appropriated under sections 204, 206, 208, and 209 of this act as may be necessary to finance a unified health care plan for the WMIP program

1 enrollment. The WMIP pilot projects shall not exceed a daily
 2 enrollment of 6,000 persons, nor expand beyond one county, during the
 3 2009-2011 biennium. The amount of funding assigned to the pilot
 4 projects from each program may not exceed the average per capita cost
 5 assumed in this act for individuals covered by that program,
 6 actuarially adjusted for the health condition of persons enrolled in
 7 the pilot project, times the number of clients enrolled in the pilot
 8 project. In implementing the WMIP pilot projects, the department may:
 9 (a) Withhold from calculations of "available resources" as set forth in
 10 RCW 71.24.025 a sum equal to the capitated rate for individuals
 11 enrolled in the pilots; and (b) employ capitation financing and risk-
 12 sharing arrangements in collaboration with health care service
 13 contractors licensed by the office of the insurance commissioner and
 14 qualified to participate in both the medicaid and medicare programs.
 15 The department shall conduct an evaluation of the WMIP, measuring
 16 changes in participant health outcomes, changes in patterns of service
 17 utilization, participant satisfaction, participant access to services,
 18 and the state fiscal impact.

19 (5) The appropriations to the department of social and health
 20 services in this act shall be expended for the programs and in the
 21 amounts specified in this act. However, after May 1, 2010, unless
 22 specifically prohibited by this act, the department may transfer
 23 general fund--state appropriations for fiscal year 2010 among programs
 24 after approval by the director of financial management.

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

27	General Fund--State Appropriation (FY 2010)	\$317,813,000
28	General Fund--State Appropriation (FY 2011)	\$320,684,000
29	General Fund--Federal Appropriation	\$505,604,000
30	General Fund--Private/Local Appropriation	\$400,000
31	Domestic Violence Prevention Account--State	
32	Appropriation	\$1,145,000
33	TOTAL APPROPRIATION	\$1,145,646,000

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

- 36 (1) \$3,063,000 of the general fund--state appropriation for fiscal

1 year 2010 and \$3,063,000 of the general fund--state appropriation for
2 fiscal year 2011 are provided solely for the category of services
3 titled "intensive family preservation services."

4 (2) \$993,000 of the general fund--state appropriation for fiscal
5 year 2010 and \$993,000 of the general fund--state appropriation for
6 fiscal year 2011 are provided solely to contract for the operation of
7 one pediatric interim care facility. The facility shall provide
8 residential care for up to seventeen children through two years of age.
9 Seventy-five percent of the children served by the facility must be in
10 need of special care as a result of substance abuse by their mothers.
11 The facility shall also provide on-site training to biological,
12 adoptive, or foster parents. The facility shall provide at least three
13 months of consultation and support to parents accepting placement of
14 children from the facility. The facility may recruit new and current
15 foster and adoptive parents for infants served by the facility. The
16 department shall not require case management as a condition of the
17 contract.

18 (3) \$375,000 of the general fund--state appropriation for fiscal
19 year 2008, \$375,000 of the general fund--state appropriation for fiscal
20 year 2009, and \$322,000 of the general fund--federal appropriation are
21 provided solely for up to three nonfacility-based programs for the
22 training, consultation, support, and recruitment of biological, foster,
23 and adoptive parents of children through age three in need of special
24 care as a result of substance abuse by their mothers, except that each
25 program may serve up to three medically fragile nonsubstance-abuse-
26 affected children. In selecting nonfacility-based programs, preference
27 shall be given to programs whose federal or private funding sources
28 have expired or that have successfully performed under the existing
29 pediatric interim care program.

30 (4) \$2,500,000 of the general fund--state appropriation for fiscal
31 year 2010 and \$2,500,000 of the general fund--state appropriation for
32 fiscal year 2011 are provided solely for secure crisis residential
33 centers. Within appropriated amounts, the department shall collaborate
34 with providers to maintain no less than forty-five beds that are
35 geographically representative of the state. The department shall
36 examine current secure crisis residential staffing requirements,
37 flexible payment options, center specific waivers, and other
38 appropriate methods to accomplish this outcome.

1 (5) A maximum of \$77,817,000 of the general fund--state
2 appropriations and \$57,563,000 of the general fund--federal
3 appropriations for the 2009-11 biennium may be expended for behavioral
4 rehabilitative services. The department shall work with behavioral
5 rehabilitative service providers to decrease the length of stay through
6 improved emotional, behavioral, or medical outcomes for children in
7 behavioral rehabilitative services in order to achieve the appropriated
8 levels.

9 (a) The department shall work to not reduce entry rates into
10 behavioral rehabilitative services and achieve a maximum caseload ten
11 percent below fiscal year 2009 levels adjusted for changes in total
12 foster care caseloads. Contracted providers shall act in good faith
13 and accept the hardest to place children, to the greatest extent
14 possible, in order to improve their emotional, behavioral, or medical
15 conditions.

16 (b) The department and the contracted provider shall mutually agree
17 and establish an exit date for when the child is to exit the behavioral
18 rehabilitative service provider. The department and the contracted
19 provider should mutually agree, to the greatest extent possible, on a
20 viable placement for the child to go to once the child's treatment
21 process has been completed. The child shall exit only when the
22 emotional, behavioral, or medical condition has improved or if the
23 provider has not shown progress toward the outcomes specified in the
24 signed contract at the time of exit. This subsection (b) does not
25 prevent or eliminate the department's responsibility for removing the
26 child from the provider if the child's emotional, behavioral, or
27 medical condition worsens or is threatened.

28 (c) The department is encouraged to use performance-based contracts
29 with incentives directly tied to outcomes described in this section.
30 The contracts should incentivize contracted providers to accept the
31 hardest to place children and incentivize improvement in children's
32 emotional, mental, and medical well-being within the established exit
33 date. The department is further encouraged to increase the use of
34 behavioral rehabilitative service therapeutic foster homes, in-home
35 services, and other means to control expenditures.

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

1 (6) Within amounts provided for the foster care and adoption
2 support programs, the department shall control reimbursement decisions
3 for foster care and adoption support cases such that the aggregate
4 average cost per case for foster care and for adoption support does not
5 exceed the amounts assumed in the projected caseload expenditures.

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

13 (8) \$37,000 of the general fund--state appropriation for fiscal
14 year 2010, \$37,000 of the general fund--state appropriation for fiscal
15 year 2011, and \$32,000 of the general fund--federal appropriation are
16 provided solely for the implementation of chapter 465, Laws of 2007
17 (child welfare).

18 (9) \$125,000 of the general fund--state appropriation for fiscal
19 year 2010 and \$125,000 of the general fund--state appropriation for
20 fiscal year 2011 are provided solely for continuum of care services.
21 \$100,000 of this amount is for Casey family partners and \$25,000 of
22 this amount is for volunteers of America crosswalk in fiscal year 2010.
23 \$100,000 of this amount is for Casey family partners and \$25,000 of
24 this amount is for volunteers of America crosswalk in fiscal year 2011.

25 (10) \$616,000 of the general fund--state appropriation for fiscal
26 year 2010, \$616,000 of the general fund--state appropriation for fiscal
27 year 2011, and \$368,000 of the general fund--federal appropriation are
28 provided solely to contract with medical professionals for
29 comprehensive safety assessments of high-risk families. The safety
30 assessments will use validated assessment tools to guide intervention
31 decisions through the identification of additional safety and risk
32 factors. \$800,000 of this amount is for comprehensive safety
33 assessments for families receiving in-home child protective services or
34 family voluntary services. \$800,000 of this amount is for
35 comprehensive safety assessments of families with an infant age birth
36 to fifteen days where the infant was, at birth, diagnosed as substance
37 exposed and the department received an intake referral related to the
38 infant due to the substance exposure.

1 (11) \$7,970,000 of the general fund--state appropriation for fiscal
2 year 2010, \$7,711,000 of the general fund--state appropriation for
3 fiscal year 2011, and \$5,177,000 of the general fund--federal
4 appropriation are provided solely for court-ordered supervised visits
5 between parents and dependent children. The department shall work
6 collaboratively with the juvenile dependency courts to stay within
7 appropriations without impeding reunification outcomes between parents
8 and dependent children. The department shall report to the legislative
9 fiscal committees quarterly, the number of children in foster care who
10 receive supervised visits, their frequency, length of time of each
11 visit, and whether reunification is attained.

12 (12) The appropriations in this section reflect a one percent
13 decrease in all vendor rate payments. To achieve these savings, the
14 department shall implement a one-half percent vendor rate reduction for
15 fiscal year 2010 and a one-half percent vendor rate reduction for
16 fiscal year 2011 to achieve a total vendor rate reduction of one
17 percent.

18 (13) The appropriations in this section reflect reductions in the
19 appropriations for information technology expenses. It is the intent
20 of the legislature that these reductions shall be achieved, to the
21 greatest extent possible, by reducing those costs that do not affect
22 the contractual obligation of the state for the famlink system or the
23 department's ability to provide timely data reports.

24 (14) Within appropriations in this section, specific funds are
25 provided for Senate Bill No. 5943 (child welfare services).

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

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

34	General Fund--State Appropriation (FY 2010)	\$107,913,000
35	General Fund--State Appropriation (FY 2011)	\$93,431,000
36	General Fund--Federal Appropriation	\$5,564,000
37	General Fund--Private/Local Appropriation	\$1,901,000

1	Washington Auto Theft Prevention Authority Account--	
2	State Appropriation	\$196,000
3	Juvenile Accountability Incentive Account--Federal	
4	Appropriation	\$2,812,000
5	TOTAL APPROPRIATION	\$211,817,000

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

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

17 (2) \$3,578,000 of the general fund--state appropriation for fiscal
18 year 2010 and \$3,578,000 of the general fund--state appropriation for
19 fiscal year 2011 are provided solely for the implementation of chapter
20 338, Laws of 1997 (juvenile code revisions). The amounts provided in
21 this subsection are intended to provide funding for county impacts
22 associated with the implementation of chapter 338, Laws of 1997 and
23 shall be distributed to counties as prescribed in the current
24 consolidated juvenile services (CJS) formula.

25 (3) \$3,716,000 of the general fund--state appropriation for fiscal
26 year 2010 and \$3,716,000 of the general fund--state appropriation for
27 fiscal year 2011 are provided solely to implement community juvenile
28 accountability grants pursuant to chapter 338, Laws of 1997 (juvenile
29 code revisions). Funds provided in this subsection may be used solely
30 for community juvenile accountability grants, administration of the
31 grants, and evaluations of programs funded by the grants.

32 (4) \$1,506,000 of the general fund--state appropriation for fiscal
33 year 2010 and \$1,506,000 of the general fund--state appropriation for
34 fiscal year 2011 are provided solely to implement alcohol and substance
35 abuse treatment programs for locally committed offenders. The juvenile
36 rehabilitation administration shall award these moneys on a competitive
37 basis to counties that submitted a plan for the provision of services
38 approved by the division of alcohol and substance abuse. The juvenile

1 rehabilitation administration shall develop criteria for evaluation of
2 plans submitted and a timeline for awarding funding and shall assist
3 counties in creating and submitting plans for evaluation.

4 (5) \$2,669,000 of the general fund--state appropriation for fiscal
5 year 2010 and \$2,947,000 of the general fund--state appropriation for
6 fiscal year 2011 are provided solely for grants to county juvenile
7 courts for the following programs identified by the Washington state
8 institute for public policy (institute) in its October 2006 report:
9 "Evidence-Based Public Policy Options to Reduce Future Prison
10 Construction, Criminal Justice Costs and Crime Rates": Functional
11 family therapy, multi-systemic therapy, aggression replacement training
12 and interagency coordination programs, or other programs with a
13 positive benefit-cost finding in the institute's report. County
14 juvenile courts shall apply to the juvenile rehabilitation
15 administration for funding for program-specific participation and the
16 administration shall provide grants to the courts consistent with the
17 per-participant treatment costs identified by the institute.

18 (6) \$1,287,000 of the general fund--state appropriation for fiscal
19 year 2010 and \$787,000 of the general fund--state appropriation for
20 fiscal year 2011 are provided solely for expansion of the following
21 treatments and therapies in juvenile rehabilitation administration
22 programs identified by the Washington state institute for public policy
23 in its October 2006 report: "Evidence-Based Public Policy Options to
24 Reduce Future Prison Construction, Criminal Justice Costs and Crime
25 Rates": Multidimensional treatment foster care, family integrated
26 transitions, and aggression replacement training. The administration
27 may concentrate delivery of these treatments and therapies at a limited
28 number of programs to deliver the treatments in a cost-effective
29 manner.

30 (7) \$64,000,000 of the general fund--state appropriation for fiscal
31 year 2010 and \$47,000,000 of the general fund--state appropriation for
32 fiscal year 2011 are provided solely for the operations of the Echo
33 Glen children's center, the Maple Lane school, the Green Hill school,
34 the Naselle youth camp, and the juvenile offender basic training camp
35 and are contingent upon the closure of the Green Hill school on July 1,
36 2010. In fiscal year 2011, the department may expend funds at Green
37 Hill school solely for the purpose of maintaining and preserving the
38 physical plant of the school.

1 (8)(a) For the fiscal year ending June 30, 2010, the juvenile
2 rehabilitation administration shall offer a block grant, rather than
3 categorical funding, of consolidated juvenile service funds, community
4 juvenile accountability act grants, the chemical dependency disposition
5 alternative funds, the special sex offender disposition alternative
6 funds, the mental health disposition alternative, sentencing
7 disposition alternative, and evidence-based program expansion grants to
8 juvenile courts for the purpose of serving youth adjudicated in the
9 juvenile justice system. Evidence-based programs and disposition
10 alternatives will be funding priorities. Funds may be used for
11 promising practices when approved by juvenile rehabilitation
12 administration, based on criteria established in consultation with
13 Washington state institute for public policy and the juvenile courts.
14 By September 1, 2009, the juvenile rehabilitation administration, in
15 consultation with Washington state institute for public policy and the
16 juvenile courts, shall develop a funding formula that takes into
17 account the juvenile courts average daily population of program
18 eligible youth in conjunction with the number of youth served in each
19 approved evidence-based program or disposition alternative. By
20 September 1, 2010, the Washington state institute for public policy
21 shall provide a report to the office of financial management and the
22 legislature on the administration of the block grant authorized in this
23 subsection. The report shall include the criteria used for allocating
24 the funding as a block grant and the participation targets and actual
25 participation in the programs subject to the block grant.

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

1 juvenile courts and office of the administrator of the courts will have
2 responsibility for collecting and distributing information and
3 providing access to the data systems to the juvenile rehabilitation
4 administration and the Washington state institute for public policy
5 related to program and outcome data; and necessary changes to the
6 Washington administrative code.

7 (c) Within the funds provided for criminal justice analysis in
8 section 610(4) of this act, the Washington state institute for public
9 policy shall conduct an analysis of the costs per participant of
10 evidence-based programs by the juvenile courts and by December 1, 2009,
11 shall report the results of this analysis to the juvenile
12 rehabilitation administration, the juvenile courts, office of the
13 administrator of the courts, the office of financial management, and
14 the fiscal committees of the legislature.

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

17 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

18 General Fund--State Appropriation (FY 2010)	\$266,677,000
19 General Fund--State Appropriation (FY 2011)	\$296,617,000
20 General Fund--Federal Appropriation	\$463,180,000
21 General Fund--Private/Local Appropriation	\$14,868,000
22 TOTAL APPROPRIATION	\$1,041,342,000

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

25 (a) \$113,684,000 of the general fund--state appropriation for
26 fiscal year 2010 and \$113,684,000 of the general fund--state
27 appropriation for fiscal year 2011 are provided solely for persons and
28 services not covered by the medicaid program. This is a reduction of
29 \$11,608,000 each fiscal year from the nonmedicaid funding that was
30 allocated for expenditure by regional support networks during fiscal
31 year 2009 prior to supplemental budget reductions. This \$11,608,000
32 reduction shall be distributed among regional support networks
33 proportional to each network's share of the total state population. To
34 the extent possible, levels of regional support network spending shall
35 be maintained in the following priority order: (i) Crisis and
36 commitment services; (ii) community inpatient services; and (iii)

1 residential care services, including personal care and emergency
2 housing assistance.

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

12 (c) The number of nonforensic beds allocated for use by regional
13 support networks at eastern state hospital shall be 192 per day. The
14 number of nonforensic beds allocated for use by regional support
15 networks at western state hospital shall be 617 per day during the
16 first quarter of fiscal year 2010, and 587 per day thereafter. Beds in
17 the program for adaptive living skills (PALS) are not included in the
18 preceding bed allocations. The department shall separately charge
19 regional support networks for persons served in the PALS program.

20 (d) From the general fund--state appropriations in this subsection,
21 the secretary of social and health services shall assure that regional
22 support networks reimburse the aging and disability services
23 administration for the general fund--state cost of medicaid personal
24 care services that enrolled regional support network consumers use
25 because of their psychiatric disability.

26 (e) \$4,582,000 of the general fund--state appropriation for fiscal
27 year 2010 and \$4,582,000 of the general fund--state appropriation for
28 fiscal year 2011 are provided solely for mental health services for
29 mentally ill offenders while confined in a county or city jail and for
30 facilitating access to programs that offer mental health services upon
31 release from confinement.

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

35 (g) \$750,000 of the general fund--state appropriation for fiscal
36 year 2010 and \$750,000 of the general fund--state appropriation for
37 fiscal year 2011 are provided solely to continue performance-based
38 incentive contracts to provide appropriate community support services

1 for individuals with severe mental illness who were discharged from the
2 state hospitals as part of the expanding community services initiative.
3 These funds will be used to enhance community residential and support
4 services provided by regional support networks through other state and
5 federal funding.

6 (h) \$1,500,000 of the general fund--state appropriation for fiscal
7 year 2010 and \$1,500,000 of the general fund--state appropriation for
8 fiscal year 2011 are provided solely for the Spokane regional support
9 network to implement services to reduce utilization and the census at
10 eastern state hospital. Such services shall include:

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

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

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

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

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

25 (i) The department shall return to the Spokane regional support
26 network fifty percent of the amounts assessed against the network
27 during the last six months of calendar year 2009 for state hospital
28 utilization in excess of its contractual limit. The regional support
29 network shall use these funds for operation during its initial months
30 of a new sixteen-bed evaluation and treatment facility that will enable
31 the network to reduce its use of the state hospital, and for diversion
32 and community support services for persons with dementia who would
33 likely otherwise require care at the state hospital.

34 (j) The department is directed to identify and implement program
35 efficiencies and benefit changes in its delivery of medicaid managed-
36 care services that are sufficient to operate within the state and
37 federal appropriations in this section. Such actions may include but
38 are not limited to methods such as adjusting the care access standards;

1 improved utilization management of ongoing, recurring, and high-
2 intensity services; and increased uniformity in provider payment rates.
3 The department shall ensure that the capitation rate adjustments
4 necessary to accomplish these efficiencies and changes are distributed
5 uniformly and equitably across all regional support networks statewide.
6 The department is directed to report to the relevant legislative fiscal
7 and policy committees at least thirty days prior to implementing rate
8 adjustments reflecting these changes.

9 (k) In developing the new medicaid managed care rates under which
10 the public mental health managed care system will operate during the
11 five years beginning in fiscal year 2011, the department should seek to
12 estimate the reasonable and necessary cost of efficiently and
13 effectively providing a comparable set of medically necessary mental
14 health benefits to persons of different acuity levels regardless of
15 where in the state they live. Actual prior period spending in a
16 regional administrative area shall not be a key determinant of future
17 payment rates. The department shall report to the office of financial
18 management and to the relevant fiscal and policy committees of the
19 legislature on its proposed new waiver and mental health managed care
20 rate-setting approach by October 1, 2009, and again at least sixty days
21 prior to implementation of new capitation rates.

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

27 (2) INSTITUTIONAL SERVICES

28 General Fund--State Appropriation (FY 2010)	\$122,858,000
29 General Fund--State Appropriation (FY 2011)	\$126,888,000
30 General Fund--Federal Appropriation	\$152,098,000
31 General Fund--Private/Local Appropriation	\$65,870,000
32 TOTAL APPROPRIATION	\$467,714,000

33 The appropriations in this subsection are subject to the following
34 conditions and limitations: The state psychiatric hospitals may use
35 funds appropriated in this subsection to purchase goods and supplies
36 through hospital group purchasing organizations when it is cost-
37 effective to do so.

1 (3) SPECIAL PROJECTS

2	General Fund--State Appropriation (FY 2010)	\$1,895,000
3	General Fund--State Appropriation (FY 2011)	\$1,888,000
4	General Fund--Federal Appropriation	\$3,085,000
5	TOTAL APPROPRIATION	\$6,868,000

6 (4) PROGRAM SUPPORT

7	General Fund--State Appropriation (FY 2010)	\$4,193,000
8	General Fund--State Appropriation (FY 2011)	\$4,213,000
9	General Fund--Federal Appropriation	\$7,422,000
10	TOTAL APPROPRIATION	\$15,828,000

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

13 (1) COMMUNITY SERVICES

14	General Fund--State Appropriation (FY 2010)	\$313,692,000
15	General Fund--State Appropriation (FY 2011)	\$368,480,000
16	General Fund--Federal Appropriation	\$850,164,000
17	TOTAL APPROPRIATION	\$1,532,336,000

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

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

24 (b) The department shall establish rates for boarding homes, adult
 25 family homes, group homes, and supported living providers in an amount
 26 not to exceed the appropriations in this subsection. The department is
 27 authorized to reduce rates, if necessary to manage the appropriations
 28 in this subsection.

29 (c) Consistent with RCW 74.09.520 and in accordance with RCW
 30 74.39A.270(6)(f), the department shall adjust plans of care for in-home
 31 clients receiving personal care under the state plan or 1915(c) waivers
 32 to reduce utilized service hours by three percent for all
 33 classification groups. The resulting level of hours is sufficient to
 34 ensure client care.

35 (d) \$800,000 of the general fund--state appropriation for fiscal
 36 year 2010, \$2,034,000 of the general fund--state appropriation for
 37 fiscal year 2011, and \$4,006,000 of the general fund--federal

1 appropriation are provided solely for the children's intensive in-home
2 behavioral supports waiver authorized in the 2008 supplemental
3 appropriations act (chapter 329, Laws of 2008). Within the amounts
4 provided in this subsection, the department shall serve children in the
5 community rather than in institutions as the best practice, when
6 possible. Funds provided as part of expanded community services may
7 also be used to serve children in the community.

8 (e) \$5,593,000 of the general fund--state appropriation for fiscal
9 year 2010, \$4,002,000 of the general fund--state appropriation for
10 fiscal year 2011, and \$14,701,000 of the general fund--federal
11 appropriation are provided solely for expanded community services,
12 prioritized for all of the following groups: (i) Children who are at
13 risk of institutionalization, in residential habilitation centers, or
14 who are aging out of other state services; (ii) residents of
15 residential habilitation centers who are able to be adequately cared
16 for in community settings and who choose to live in those community
17 settings; (iii) adult clients without residential services who are at
18 immediate risk of institutionalization or in crisis; and (iv) current
19 home and community-based waiver program clients who have been assessed
20 as having an immediate need for increased services. The department
21 shall electronically report to the appropriate committees of the
22 legislature on a quarterly basis on the number of persons served with
23 these additional community services, and the actual expenditures for
24 all community services to support these clients.

25 (f) \$493,000 of the general fund--state appropriation for fiscal
26 year 2010, \$1,463,000 of the general fund--state appropriation for
27 fiscal year 2011, and \$2,741,000 of the general fund--federal
28 appropriation are provided solely for residential and support services
29 for approximately thirty new clients with developmental disabilities
30 and community protection issues. New placements will serve clients
31 being diverted or discharged from state psychiatric hospitals,
32 participants in the dangerous mentally ill offender program,
33 participants in the community protection program, or mental health
34 crisis diversion outplacements.

35 (g) \$8,322,000 of the general fund--state appropriation for fiscal
36 year 2010, \$11,459,000 of the general fund--state appropriation for
37 fiscal year 2011, and \$29,034,000 of the general fund--federal

1 appropriation are provided solely for the state's contribution to the
2 cost of health care benefits for eligible participating providers,
3 pursuant to RCW 74.39A.270.

4 (h) \$1,788,000 of the general fund--state appropriation for fiscal
5 year 2011 and \$2,534,000 of the general fund--federal appropriation are
6 provided solely to implement Senate Bill No. . . . (delaying
7 implementation of Initiative Measure No. 1029). If the bill is not
8 enacted by June 30, 2009, the amounts provided in this subsection shall
9 lapse.

10 (i) Within the amounts appropriated in this subsection, the
11 department may expand the new freedom waiver program to accommodate new
12 waiver recipients throughout the state. As possible, and in compliance
13 with current state and federal laws, the department shall allow current
14 waiver recipients to transfer to the new freedom waiver.

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

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

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

33 (2) INSTITUTIONAL SERVICES

34	General Fund--State Appropriation (FY 2010)	\$61,805,000
35	General Fund--State Appropriation (FY 2011)	\$73,399,000
36	General Fund--Federal Appropriation	\$205,532,000
37	General Fund--Private/Local Appropriation	\$22,441,000
38	TOTAL APPROPRIATION	\$363,177,000

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

3 (a) Individuals receiving services as supplemental security income
4 (SSI) state supplemental payments shall not become eligible for medical
5 assistance under RCW 74.09.510 due solely to the receipt of SSI state
6 supplemental payments.

7 (b) Effective July 1, 2009, the department shall begin transferring
8 residents from Yakima Valley school to other institutional,
9 residential, or home-based settings: Provided, that (i) no individual
10 shall be moved from an institutional to a community setting until
11 sufficient services and support arrangements are in place to assure the
12 individual's health, safety, personal well-being, and continued growth
13 and development on an ongoing basis; (ii) the needs of each resident
14 have been assessed to identify the level of support needed to maintain
15 the person in the most normal and least-restrictive setting consistent
16 with the person's needs; and (iii) the department shall report to the
17 appropriate committees of the legislature by December 1, 2009, and at
18 the beginning of each biennial quarter thereafter, on specific progress
19 in accomplishing the goals of this subsection. All residents shall be
20 transferred by June 30, 2011.

21 (c) Within the amounts appropriated in this subsection, the
22 department may develop and pay enhanced rates to community providers,
23 including nursing facilities and others, in order to care for
24 individuals transitioning from residential habilitation centers.

25 (d) The developmental disabilities program is authorized to use
26 funds appropriated in this subsection to purchase goods and supplies
27 through direct contracting with vendors when the program determines it
28 is cost-effective to do so.

29 (e) \$721,000 of the general fund--state appropriation for fiscal
30 year 2010 and \$721,000 of the general fund--state appropriation for
31 fiscal year 2011 are provided solely for the department to fulfill its
32 contracts with the school districts under chapter 28A.190 RCW to
33 provide transportation, building space, and other support services as
34 are reasonably necessary to support the educational programs of
35 students living in residential habilitation centers.

36 (f) Within the amounts appropriated in this section, the department
37 shall prepare a report and plan on the closure of the Francis Hadden

1 Morgan institution. The report shall be submitted to the appropriate
2 committees of the legislature no later than January 15, 2010.

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

9 (3) PROGRAM SUPPORT

10	General Fund--State Appropriation (FY 2010)	\$1,456,000
11	General Fund--State Appropriation (FY 2011)	\$1,410,000
12	General Fund--Federal Appropriation	\$1,407,000
13	TOTAL APPROPRIATION	\$4,273,000

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

21 (4) SPECIAL PROJECTS

22	General Fund--State Appropriation (FY 2010)	\$16,000
23	General Fund--State Appropriation (FY 2011)	\$16,000
24	General Fund--Federal Appropriation	\$25,325,000
25	TOTAL APPROPRIATION	\$25,357,000

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

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

31	General Fund--State Appropriation (FY 2010)	\$588,262,000
32	General Fund--State Appropriation (FY 2011)	\$698,571,000
33	General Fund--Federal Appropriation	\$1,815,861,000
34	General Fund--Private/Local Appropriation	\$19,593,000
35	Traumatic Brain Injury Account--State Appropriation	\$600,000
36	TOTAL APPROPRIATION	\$3,122,887,000

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

3 (1) \$16,714,000 of the general fund--state appropriation for fiscal
4 year 2010, \$23,767,000 of the general fund--state appropriation for
5 fiscal year 2011, and \$59,291,000 of the general fund--federal
6 appropriation are provided solely for the state's contribution to the
7 cost of health care benefits for eligible participating providers,
8 pursuant to RCW 74.39A.270.

9 (2) For purposes of implementing chapter 74.46 RCW, the weighted
10 average nursing facility payment rate shall not exceed \$156.37 for
11 fiscal year 2010 and shall not exceed \$158.74 for fiscal year 2011.
12 There shall be no adjustment for economic trends and conditions for
13 rates established for fiscal year 2010 and there shall be no adjustment
14 for economic trends and conditions for rates established for fiscal
15 year 2011. Economic trends and conditions factor or factors defined in
16 any earlier appropriations act shall not be applied solely or
17 compounded to the component rate allocations established in accordance
18 with chapter 74.46 RCW.

19 (3) In accordance with chapter 74.46 RCW, the department shall
20 issue no additional certificates of capital authorization for fiscal
21 year 2010 and no new certificates of capital authorization for fiscal
22 year 2011.

23 (4) The department shall establish rates for boarding homes and
24 adult family homes in an amount not to exceed the appropriation in this
25 section. The department shall reduce rates to manage the
26 appropriations in this section.

27 (5) Within funds appropriated in this section, the long-term care
28 program may develop and pay exceptional care rates:

29 (a) To boarding homes that contract for specialized care for
30 persons with Alzheimer's disease and related dementias who might
31 otherwise require nursing home care, provided the total number of beds
32 does not exceed 610;

33 (b) So that persons with AIDS or HIV-related diseases who might
34 otherwise require nursing home or hospital care may instead be served
35 in adult family homes or boarding homes that specialize in the care of
36 persons with AIDS or HIV-related diseases; and

37 (c) To adult family homes and boarding homes that are contracted to
38 provide support for specifically eligible clients as part of the

1 expanded community services program, to reduce the use of state and
2 local psychiatric hospitals for individuals who are not receiving
3 active treatment.

4 (6) Reductions to rates paid to adult family homes and boarding
5 homes also apply to those receiving exceptional care rates for
6 HIV/AIDS, dementia, and enhanced community services, but will not apply
7 to the portion of their rate that is considered exceptional, which will
8 remain unchanged from fiscal year 2009 levels.

9 (7) Within the amounts appropriated in this section, the department
10 may expand the new freedom waiver program to accommodate new waiver
11 recipients throughout the state. As possible, and in compliance with
12 current state and federal laws, the department shall allow current
13 waiver recipients to transfer to the new freedom waiver.

14 (8) Consistent with RCW 74.09.520 and in accordance with RCW
15 74.39A.270(6)(f), the department shall adjust plans of care for in-home
16 clients receiving personal care under the state plan or 1915(c) waivers
17 to reduce utilized service hours by an average of three percent for all
18 classification groups. The resulting level of hours is sufficient to
19 ensure client care.

20 (9) Individuals receiving services as supplemental security income
21 (SSI) state supplemental payments shall not become eligible for medical
22 assistance under RCW 74.09.510 due solely to the receipt of SSI state
23 supplemental payments.

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

26 (11) \$265,000 of the general fund--state appropriation for fiscal
27 year 2010, \$3,274,000 of the general fund--state appropriation for
28 fiscal year 2011, and \$4,291,000 of the general fund--federal
29 appropriation are provided solely to implement Senate Bill No.
30 (delaying implementation of Initiative Measure No. 1029). If the bill
31 is not enacted by June 30, 2009, the amounts provided in this
32 subsection shall lapse.

33 (12) \$3,955,000 of the general fund--state appropriation for fiscal
34 year 2010, \$4,239,000 of the general fund--state appropriation for
35 fiscal year 2011, and \$10,190,000 of the general fund--federal
36 appropriation are provided solely for the continued operation of
37 community residential and support services for persons who are older
38 adults or who have co-occurring medical and behavioral disorders and

1 who have been discharged or diverted from a state psychiatric hospital.
2 These funds shall be used to serve individuals whose treatment needs
3 constitute substantial barriers to community placement, who no longer
4 require active psychiatric treatment at an inpatient hospital level of
5 care, and who no longer meet the criteria for inpatient involuntary
6 commitment. Coordination of these services will be done in partnership
7 between the mental health program and the aging and disability services
8 administration.

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

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

24	General Fund--State Appropriation (FY 2010)	\$515,164,000
25	General Fund--State Appropriation (FY 2011)	\$536,391,000
26	General Fund--Federal Appropriation	\$1,509,040,000
27	General Fund--Private/Local Appropriation	\$27,920,000
28	Administrative Contingency Account--State	
29	Appropriation	\$15,489,000
30	Employment Service Administrative Account--State	
31	Appropriation	\$6,645,000
32	TOTAL APPROPRIATION	\$2,610,649,000

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

- 35 (1) \$310,197,000 of the general fund--state appropriation for
36 fiscal year 2010, \$310,197,000 of the general fund--state appropriation
37 for fiscal year 2011, \$15,489,000 of the administrative contingency

1 account--state appropriation, \$6,645,000 of the employment service
2 administrative account--state appropriation, and \$832,657,000 of the
3 general fund--federal appropriation are provided solely for all
4 components of the WorkFirst program. The department shall use moneys
5 from the administrative contingency account and the employment service
6 administrative account for WorkFirst job placement services provided by
7 the employment security department. Within the amounts provided for
8 the WorkFirst program, the department may provide assistance using
9 state-only funds for families eligible for temporary assistance for
10 needy families.

11 (2) The department and the office of financial management shall
12 report quarterly the expenditures, maintenance of effort allotments,
13 expenditure amounts, and caseloads for the WorkFirst program to the
14 legislative fiscal committees.

15 (3) A maximum of \$40,491,000 of the general fund--state
16 appropriation for the 2009-11 biennium may be expended for general
17 assistance-unemployable cash benefits. The department will prioritize
18 its review of the caseload by:

19 (a) Evaluating those recipients who have remained on this caseload
20 for more than 12 months and, pursuant to RCW 74.04.005(6)(g), shall
21 have their benefits discontinued unless the recipient demonstrates no
22 material improvement in their medical or mental condition has occurred,

23 (b) Evaluating those recipients who have a co-occurring alcohol or
24 drug addiction and refer them to the appropriate assessment, treatment,
25 or shelter services, pursuant to RCW 74.04.005(6)(a)(ii)(C). The
26 department shall not prohibit granting general assistance benefits to
27 alcoholics and drug addicts who are incapacitated due to other physical
28 or mental conditions that meet the eligibility criteria for the general
29 assistance program. If these enrollees fail to accept such services,
30 pursuant to RCW 74.04.005(6)(c), the department shall terminate their
31 benefits until the person agrees to cooperate, and

32 (c) Evaluating any recipient who, pursuant to RCW 74.04.005(6)(c),
33 has not accepted all available services that can reasonably be expected
34 to enable the individual to work, the department shall terminate their
35 benefits until the person agrees to cooperate.

36 If caseload reductions cannot be achieved through the reviews under

1 this subsection (3), the department shall establish a rateable
2 reduction to the cash grant amounts, pursuant to RCW 74.04.770, to
3 achieve the appropriated levels.

4 (4) \$46,216,000 of the general fund--state appropriation for fiscal
5 year 2010 and \$47,072,000 of the general fund--state appropriation for
6 fiscal year 2011 are for general assistance--expedited cash benefits and
7 state funded general assistance--expedited medical expenditures. If the
8 general assistance--expedited medical caseload increases above four
9 percent per year, the department shall establish a rateable reduction
10 to general assistance--expedited cash grant amounts, pursuant to RCW
11 74.04.770, to pay for increases above four percent in the medical
12 program. The cash benefit expenditures shall not increase above four
13 percent per year.

14 (5) \$4,277,000 of the general fund--state appropriation for fiscal
15 year 2010 and \$4,412,000 of the general fund--state appropriation for
16 fiscal year 2011 are provided solely for the state's contribution to
17 the cost of health benefits for eligible participating child care
18 providers.

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

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

27	General Fund--State Appropriation (FY 2010)	\$82,720,000
28	General Fund--State Appropriation (FY 2011)	\$85,360,000
29	General Fund--Federal Appropriation	\$145,800,000
30	General Fund--Private/Local Appropriation	\$632,000
31	Criminal Justice Treatment Account--State	
32	Appropriation	\$17,750,000
33	Problem Gambling Account--State Appropriation	\$1,462,000
34	TOTAL APPROPRIATION	\$333,724,000

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

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

6 (2) Within the amounts appropriated in this section, the department
7 shall continue to provide for chemical dependency treatment services
8 for adult medicaid eligible and general assistance-unemployable
9 patients.

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

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

18	General Fund--State Appropriation (FY 2010)	\$1,615,751,000
19	General Fund--State Appropriation (FY 2011)	\$1,957,676,000
20	General Fund--Federal Appropriation	\$5,173,326,000
21	General Fund--Private/Local Appropriation	\$12,917,000
22	Emergency Medical Services and Trauma Care Systems	
23	Trust Account--State Appropriation	\$15,076,000
24	Tobacco Prevention and Control Account--	
25	State Appropriation	\$3,766,000
26	TOTAL APPROPRIATION	\$8,778,512,000

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

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

35 (2) In determining financial eligibility for medicaid-funded
36 services, the department is authorized to disregard recoveries by

1 Holocaust survivors of insurance proceeds or other assets, as defined
2 in RCW 48.104.030.

3 (3) In accordance with RCW 74.46.625, \$6,000,000 of the general
4 fund--federal appropriation is provided solely for supplemental
5 payments to nursing homes operated by public hospital districts. The
6 public hospital district shall be responsible for providing the
7 required nonfederal match for the supplemental payment, and the
8 payments shall not exceed the maximum allowable under federal rules.
9 It is the legislature's intent that the payments shall be supplemental
10 to and shall not in any way offset or reduce the payments calculated
11 and provided in accordance with part E of chapter 74.46 RCW. It is the
12 legislature's further intent that costs otherwise allowable for rate-
13 setting and settlement against payments under chapter 74.46 RCW shall
14 not be disallowed solely because such costs have been paid by revenues
15 retained by the nursing home from these supplemental payments. The
16 supplemental payments are subject to retrospective interim and final
17 cost settlements based on the nursing homes' as-filed and final
18 medicare cost reports. The timing of the interim and final cost
19 settlements shall be at the department's discretion. During either the
20 interim cost settlement or the final cost settlement, the department
21 shall recoup from the public hospital districts the supplemental
22 payments that exceed the medicaid cost limit and/or the medicare upper
23 payment limit. The department shall apply federal rules for
24 identifying the eligible incurred medicaid costs and the medicare upper
25 payment limit.

26 (4) \$2,402,000 of the general fund--federal appropriation,
27 \$1,201,000 of the general fund--state appropriation for fiscal year
28 2010, and \$1,201,000 of the general fund--state appropriation for
29 fiscal year 2011 are provided solely for grants to rural hospitals.
30 The department shall distribute the funds under a formula that provides
31 a relatively larger share of the available funding to hospitals that
32 (a) serve a disproportionate share of low-income and medically indigent
33 patients, and (b) have relatively smaller net financial margins, to the
34 extent allowed by the federal medicaid program.

35 (5) \$10,546,000 of the general fund--state appropriation for fiscal
36 year 2010, \$10,546,000 of the general fund--state appropriation for
37 fiscal year 2011, and \$19,725,000 of the general fund--federal
38 appropriation are provided solely for grants to nonrural hospitals.

1 The department shall distribute the funds under a formula that provides
2 a relatively larger share of the available funding to hospitals that
3 (a) serve a disproportionate share of low-income and medically indigent
4 patients, and (b) have relatively smaller net financial margins, to the
5 extent allowed by the federal medicaid program.

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

1 to the difference between payments during the fiscal year and the
2 applicable baseline amount. Payment of the state grant shall be made
3 in the applicable fiscal year and distributed in monthly payments. The
4 grants will be recalculated and redistributed as the baseline is
5 updated during the fiscal year. The grant payments are subject to an
6 interim settlement within eleven months after the end of the fiscal
7 year. A final settlement shall be performed. To the extent that
8 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 \$36,704,000 of the general fund--state appropriation for fiscal year
12 2010, of which \$6,570,000 is appropriated in section 204(1) of this act
13 and the balance in this section, and \$34,383,000 of the general fund--
14 state appropriation for fiscal year 2011, of which \$1,500,000 is
15 appropriated in section 204(1) of this act and the balance in this
16 section, are provided solely for state grants for the participating
17 hospitals.

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

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

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

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

32 (11) The department shall require managed health care organizations
33 that have contracts with the department to serve medical assistance
34 clients to limit any reimbursements or payments the organizations make
35 to providers not employed by or under contract with the organizations
36 to not more than the medical assistance rates paid by the department to
37 providers for comparable services rendered to clients in the fee-for-
38 service delivery system.

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

4 (13) The department shall report to the governor and the
5 legislative fiscal committees on the prospects for implementation of a
6 physician supplemental payment system as soon as feasibility is
7 determined but no later than December 31, 2009. The report will
8 outline estimated impacts on the participating hospitals, the
9 procedures necessary to comply with federal guidelines, and the
10 administrative resource requirements necessary to implement the
11 program.

12 (14) A maximum of \$160,000,000 of the general fund--state
13 appropriation and \$24,000,000 of the general fund--federal
14 appropriation in this section may be expended in the fiscal biennium
15 for the general assistance-unemployable medical program. The
16 department shall prioritize its review of the caseload by evaluating
17 those enrollees who have remained on this caseload for more than 12
18 months or, pursuant to RCW 74.04.005(6)(g), have not demonstrated that
19 no material improvement in their medical or mental condition has
20 occurred or, pursuant to RCW 74.04.005(6)(c), have not accepted all
21 available services that can reasonably be expected to enable the
22 individual to work. If sufficient caseload reductions cannot be
23 achieved through these reviews, the department shall freeze admissions
24 or impose time limits, or both, on the medical program in order to meet
25 these appropriated levels. The department shall submit a report to the
26 governor and legislative fiscal and policy committees by December 1,
27 2009, on the feasibility and cost-effectiveness of transitioning the
28 general assistance-unemployable program to a statewide managed care
29 program within existing appropriations for fiscal year 2011.

30 (15) In order to maintain budget neutrality, state funding for
31 caseload growth in the general assistance-expedited program for persons
32 considered presumptively eligible for supplemental security income
33 above four percent per year shall be paid for from funds provided in
34 section 207(4) of this act.

35 (16) The department shall report to the governor and the fiscal
36 committees of the legislature by June 1, 2010, on its progress toward
37 achieving a twenty percent increase in the generic prescription drug
38 utilization rate. If this increase is not achieved by June 1, 2010,

1 the department is directed to cease coverage of medicare part D co-pays
2 as of July 1, 2010, in accordance with RCW 74.09.520(8), in order to
3 achieve the necessary savings.

4 (17) The legislature finds that medical assistance payment rates,
5 as calculated by the department pursuant to the appropriations in this
6 act, bear a reasonable relationship to the costs incurred by
7 efficiently and economically operated facilities for providing quality
8 services and will be sufficient to enlist enough providers so that care
9 and services are available to the extent that such care and services
10 are available to the general population in the geographic area. The
11 legislature finds that hospital medicare cost reports, payment data
12 from the federal government, historical utilization, economic data, and
13 clinical input constitute reliable data upon which to determine the
14 payment rates.

15 (18) State funds shall not be used by hospitals for advertising
16 purposes.

17 (19) The department shall seek a medicaid state plan amendment to
18 create a professional services supplemental payment program for
19 Harborview hospital no later than July 1, 2009. The department shall
20 apply federal rules for identifying the shortfall between current
21 fee-for-service medicaid payments to participating providers and the
22 applicable federal upper payment limit. Participating providers shall
23 be solely responsible for providing the local funds required to obtain
24 federal matching funds. Any incremental costs incurred by the
25 department in the development, implementation, and maintenance of this
26 program will be the responsibility of the participating providers. The
27 department shall report to the governor and the legislative fiscal
28 committees on the prospects for expansion of the program to other
29 qualifying hospitals as soon as feasibility is determined but no later
30 than December 31, 2009. The report will outline estimated impacts on
31 the participating hospitals, the procedures necessary to comply with
32 federal guidelines, and the administrative resource requirements
33 necessary to implement the program.

34 (20) \$9,350,000 of the general fund--state appropriation for fiscal
35 year 2010, \$8,313,000 of the general fund--state appropriation for
36 fiscal year 2011, and \$20,371,000 of the general fund--federal
37 appropriation are provided solely for development and implementation of

1 a replacement system for the existing medicaid management information
2 system. The amounts provided in this subsection are conditioned on the
3 department satisfying the requirements of section 902 of this act.

4 (21) \$506,000 of the general fund--state appropriation for fiscal
5 year 2011 and \$657,000 of the general fund--federal appropriation are
6 provided solely for the implementation of Second Substitute House Bill
7 No. 1373 (children's mental health). If the bill is not enacted by
8 June 30, 2009, the amounts provided in this subsection shall lapse.

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

11	General Fund--State Appropriation (FY 2010)	\$10,851,000
12	General Fund--State Appropriation (FY 2011)	\$10,430,000
13	General Fund--Federal Appropriation	\$83,553,000
14	Telecommunications Devices for the Hearing and	
15	Speech Impaired--State Appropriation	\$1,981,000
16	TOTAL APPROPRIATION	\$106,815,000

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

19	General Fund--State Appropriation (FY 2010)	\$54,389,000
20	General Fund--State Appropriation (FY 2011)	\$57,490,000
21	TOTAL APPROPRIATION	\$111,879,000

22 The appropriations in this section are subject to the following
23 conditions and limitations: \$4,153,000 of the general fund--state
24 appropriation for fiscal year 2011 is provided solely for the
25 department to assume operations of McNeil island upon the closure of
26 the McNeil island corrections center by the department of corrections.
27 These operations include providing security at the Steilacoom dock,
28 operation of the wastewater treatment plant, staffing the fire
29 department, and transportation of staff and visitors on McNeil island
30 but does not include marine transport operations, the provision of
31 which the department shall contract with Pierce county or a private
32 vendor consistent with the provisions of RCW 41.06.142(3).

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

35	General Fund--State Appropriation (FY 2010)	\$35,997,000
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1	General Fund--State Appropriation (FY 2011)	\$35,680,000
2	General Fund--Federal Appropriation	\$55,902,000
3	General Fund--Private/Local Appropriation	\$1,526,000
4	TOTAL APPROPRIATION	\$129,105,000

5 The appropriations in this section are subject to the following
6 conditions and limitations: In addition to other reductions, the
7 appropriations in this section reflect reductions targeted specifically
8 to state government administrative costs. These administrative
9 reductions shall be achieved, to the greatest extent possible, by
10 reducing those administrative costs that do not affect direct client
11 services or direct service delivery or programs.

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

14	General Fund--State Appropriation (FY 2010)	\$56,598,000
15	General Fund--State Appropriation (FY 2011)	\$56,635,000
16	General Fund--Federal Appropriation	\$53,356,000
17	TOTAL APPROPRIATION	\$166,589,000

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

19	General Fund--State Appropriation (FY 2010)	\$23,263,000
20	General Fund--State Appropriation (FY 2011)	\$181,644,000
21	General Fund--Federal Appropriation	\$188,596,000
22	State Health Care Authority Administration Account--	
23	State Appropriation	\$32,635,000
24	Medical Aid Account--State Appropriation	\$531,000
25	TOTAL APPROPRIATION	\$426,669,000

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

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

1 the minimum premium amount charged to enrollees with incomes below
2 sixty-five percent of the federal poverty level.

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

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

26 (4) In order to maximize funding appropriated for the basic health
27 plan, the authority is directed to terminate enrollment of individuals
28 concurrently enrolled in a department of social and health services
29 medical assistance program and, in collaboration with the department,
30 transition individuals eligible for medical assistance to the
31 appropriate program within the department. Additionally, the authority
32 may adopt policies to allow disenrollment based on income eligibility
33 not lower than the federal poverty level.

34 (5) \$735,000 of the health care authority administrative account--
35 state appropriation is provided solely to implement Second Substitute
36 Senate Bill No. 5491 (developing a strategy for K-12 health benefits).
37 If the bill is not enacted by June 30, 2009, the amount provided in
38 this subsection shall lapse.

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

2 General Fund--State Appropriation (FY 2010) \$3,168,000
3 General Fund--State Appropriation (FY 2011) \$3,171,000
4 General Fund--Federal Appropriation \$1,336,000
5 TOTAL APPROPRIATION \$7,675,000

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

7 **APPEALS**

8 Worker and Community Right-to-Know Account--
9 State Appropriation \$20,000
10 Accident Account--State Appropriation \$18,671,000
11 Medical Aid Account--State Appropriation \$18,671,000
12 TOTAL APPROPRIATION \$37,362,000

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

14 **COMMISSION**

15 General Fund--State Appropriation (FY 2010) \$16,340,000
16 General Fund--State Appropriation (FY 2011) \$16,398,000
17 General Fund--Private/Local Appropriation \$200,000
18 Death Investigations Account--State Appropriation \$148,000
19 Municipal Criminal Justice Assistance Account--
20 State Appropriation \$460,000
21 Washington Auto Theft Prevention Authority Account--
22 State Appropriation \$9,844,000
23 TOTAL APPROPRIATION \$43,390,000

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

26 (1) \$1,874,000 of the general fund--state appropriation for fiscal
27 year 2010 and \$1,922,000 of the general fund--state appropriation for
28 fiscal year 2011 are provided solely for 10 additional basic law
29 enforcement academies in fiscal year 2010 and 10 additional basic law
30 enforcement academies in fiscal year 2011.

31 (2) \$1,191,000 of the general fund--state appropriation for fiscal
32 year 2010 and \$1,191,000 of the general fund--state appropriation for
33 fiscal year 2011 are provided solely for the Washington association of
34 sheriffs and police chiefs to continue to develop, maintain, and
35 operate the jail booking and reporting system (JBRS) and the statewide
36 automated victim information and notification system (SAVIN).

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

3 (6) \$68,000 of the accident account--state appropriation and
4 \$68,000 of the medical aid account--state appropriation are provided
5 solely for implementation of Senate Bill No. 5688 (registered domestic
6 partners). If the bill is not enacted by June 30, 2009, the amounts
7 provided in this subsection shall lapse.

8 (7) \$320,000 of the accident account--state appropriation and
9 \$147,000 of the medical aid account--state appropriation are provided
10 solely for implementation of Senate Bill No. 5873 (apprenticeship
11 utilization). If the bill is not enacted by June 30, 2009, the amounts
12 provided in this subsection shall lapse.

13 (8) \$337,000 of the general fund--state appropriation for fiscal
14 year 2010 and \$183,000 of the general fund--state appropriation for
15 fiscal year 2011 are provided solely for implementation of Senate Bill
16 No. 5895 (residential real property). If the bill is not enacted by
17 June 30, 2009, the amounts provided in this subsection shall lapse.

18 (9) \$394,000 of the accident account--state appropriation and
19 \$394,000 of the medical aid account--state appropriation are provided
20 solely for implementation of Senate Bill No. 6035 (retrospective rating
21 plans). If the bill is not enacted by June 30, 2009, the amounts
22 provided in this subsection shall lapse.

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

25	General Fund--State Appropriation (FY 2010)	\$1,963,000
26	General Fund--State Appropriation (FY 2011)	\$1,963,000
27	TOTAL APPROPRIATION	\$3,926,000

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

29 (1) HEADQUARTERS

30	General Fund--State Appropriation (FY 2010)	\$1,946,000
31	General Fund--State Appropriation (FY 2011)	\$1,927,000
32	Charitable, Educational, Penal, and Reformatory	
33	Institutions Account--State Appropriation	\$10,000
34	TOTAL APPROPRIATION	\$3,883,000

35 The appropriations in this subsection are subject to the following
36 conditions and limitations: In addition to other reductions, the

1 appropriations in this section reflect reductions targeted specifically
2 to state government administrative costs. These administrative
3 reductions shall be achieved, to the greatest extent possible, by
4 reducing those administrative costs that do not affect direct client
5 services or direct service delivery or programs.

6 (2) FIELD SERVICES

7	General Fund--State Appropriation (FY 2010)	\$5,008,000
8	General Fund--State Appropriation (FY 2011)	\$5,058,000
9	General Fund--Federal Appropriation	\$1,842,000
10	General Fund--Private/Local Appropriation	\$3,513,000
11	Veterans Innovations Program Account Appropriation	\$150,000
12	Veteran Estate Management Account--Private/Local	
13	Appropriation	\$1,080,000
14	TOTAL APPROPRIATION	\$16,651,000

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

17 (a) \$125,000 of the general fund--state appropriation for fiscal
18 year 2010 and \$125,000 of the general fund--state appropriation for
19 fiscal year 2011 are provided solely for the veterans innovation
20 program.

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

27 (3) INSTITUTIONAL SERVICES

28	General Fund--State Appropriation (FY 2010)	\$3,691,000
29	General Fund--State Appropriation (FY 2011)	\$2,872,000
30	General Fund--Federal Appropriation	\$51,237,000
31	General Fund--Private/Local Appropriation	\$32,073,000
32	TOTAL APPROPRIATION	\$89,873,000

33 The appropriations in this subsection are subject to the following
34 conditions and limitations: In addition to other reductions, the
35 appropriations in this section reflect reductions targeted specifically
36 to state government administrative costs. These administrative

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

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

5	General Fund--State Appropriation (FY 2010)	\$1,487,000
6	General Fund--State Appropriation (FY 2011)	\$1,480,000
7	TOTAL APPROPRIATION	\$2,967,000

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

9	General Fund--State Appropriation (FY 2010)	\$115,502,000
10	General Fund--State Appropriation (FY 2011)	\$94,345,000
11	General Fund--Federal Appropriation	\$482,063,000
12	General Fund--Private/Local Appropriation	\$139,332,000
13	Hospital Data Collection Account--State Appropriation	\$339,000
14	Health Professions Account--State Appropriation	\$77,505,000
15	Aquatic Lands Enhancement Account--State Appropriation	\$604,000
16	Emergency Medical Services and Trauma Care Systems	
17	Trust Account--State Appropriation	\$13,534,000
18	Safe Drinking Water Account--State Appropriation	\$2,748,000
19	Drinking Water Assistance Account--Federal	
20	Appropriation	\$21,637,000
21	Waterworks Operator Certification--State Appropriation	\$1,528,000
22	Drinking Water Assistance Administrative Account--	
23	State Appropriation	\$326,000
24	State Toxics Control Account--State Appropriation	\$3,638,000
25	Medical Test Site Licensure Account--State Appropriation	\$2,132,000
26	Youth Tobacco Prevention Account--State Appropriation	\$1,512,000
27	Public Health Supplemental Account--Private/Local	
28	Appropriation	\$3,529,000
29	Accident Account--State Appropriation	\$298,000
30	Medical Aid Account--State Appropriation	\$48,000
31	Tobacco Prevention and Control Account--	
32	State Appropriation	\$37,920,000
33	Biotoxin Account--State Appropriation	\$1,165,000
34	TOTAL APPROPRIATION	\$999,705,000

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

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

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

25 (3) \$764,000 of the health professions account--state appropriation
26 is provided solely for the medical quality assurance commission to
27 maintain disciplinary staff and associated costs sufficient to reduce
28 the backlog of disciplinary cases and to continue to manage the
29 disciplinary caseload of the commission.

30 (4) \$58,000 of the general fund--state appropriation for fiscal
31 year 2010 and \$57,000 of the general fund--state appropriation for
32 fiscal year 2011 are provided solely for the midwifery licensure and
33 regulatory program to offset a reduction in revenue from fees. There
34 shall be no change to the current annual fees for new or renewed
35 licenses for the midwifery program. The department shall convene the
36 midwifery advisory committee on a quarterly basis to address issues
37 related to licensed midwifery.

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

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

10 (1) ADMINISTRATION AND SUPPORT SERVICES

11 General Fund--State Appropriation (FY 2010)	\$56,321,000
12 General Fund--State Appropriation (FY 2011)	\$57,004,000
13 TOTAL APPROPRIATION	\$113,325,000

14 The appropriations in this subsection are subject to the following
15 conditions and limitations: Within funds appropriated in this section,
16 the department shall seek contracts for chemical dependency vendors to
17 provide chemical dependency treatment of offenders in corrections
18 facilities, including corrections centers and community supervision
19 facilities, which have demonstrated effectiveness in treatment of
20 offenders and are able to provide data to show a successful treatment
21 rate.

22 (2) CORRECTIONAL OPERATIONS

23 General Fund--State Appropriation (FY 2010)	\$642,110,000
24 General Fund--State Appropriation (FY 2011)	\$628,643,000
25 General Fund--Federal Appropriation	\$2,698,000
26 General Fund--Private/Local Appropriation	\$6,400,000
27 Washington Auto Theft Prevention Authority Account--	
28 State Appropriation	\$5,960,000
29 TOTAL APPROPRIATION	\$1,285,811,000

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

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

1 revenue generated by such agreements and shall be treated as a recovery
2 of costs.

3 (b) The department shall provide funding for the pet partnership
4 program at the Washington corrections center for women at a level at
5 least equal to that provided in the 1995-97 biennium.

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

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

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

26 (f) The amounts provided in this section include funding for the
27 operation of the McNeil island corrections center, including the
28 closure of the corrections center effective July 1, 2010.

29 (g) The appropriations in this subsection are based upon savings
30 assumed from the implementation of the following bills: Substitute
31 House Bill No. 2188 (illegal alien offenders), Engrossed Substitute
32 Senate Bill No. 5225 (crimes against property), Senate Bill No. 5525
33 (state institutions/release), Substitute Senate Bill No. 5987
34 (corrections department personnel), Senate Bill No. 5292 (persistent
35 offenders), and Senate Bill No. . . . (S-2444) (changes to the
36 sentencing grid).

37 (h) A political subdivision which is applying for funding to
38 mitigate one-time impacts associated with construction or expansion of

1 a correctional institution, consistent with WAC 137-12A-030, may apply
2 for the mitigation funds in the fiscal biennium in which the impacts
3 occur or in the immediately succeeding fiscal biennium.

4 (3) COMMUNITY SUPERVISION

5	General Fund--State Appropriation (FY 2010)	\$157,635,000
6	General Fund--State Appropriation (FY 2011)	\$151,930,000
7	General Fund--Federal Appropriation	\$750,000
8	TOTAL APPROPRIATION	\$310,315,000

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

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

16 (b) \$3,460,000 of the general fund--state appropriation for fiscal
17 year 2010 and \$3,356,000 of the general fund--state appropriation for
18 fiscal year 2011 are provided solely to implement Senate Bill No. 5525
19 (state institutions/release). If the bill is not enacted by June 30,
20 2009, the amounts provided in this subsection shall lapse.

21 (c) \$249,000 of the general fund--state appropriation for fiscal
22 year 2010 and \$329,000 of the general fund--state appropriation for
23 fiscal year 2011 are provided solely to implement Senate Bill No. 5292
24 (persistent offenders). If the bill is not enacted by June 30, 2009,
25 the amounts provided in this subsection shall lapse.

26 (d) \$375,000 of the general fund--state appropriation for fiscal
27 year 2010 is provided solely as a matching amount of state funds for a
28 federal second chance act grant and is contingent upon receipt of
29 \$750,000 of federal funding under the second chance act.

30 (e) The appropriations in this subsection are based upon savings
31 assumed from the implementation of Engrossed Substitute Senate Bill No.
32 5288 (supervision of offenders).

33 (4) CORRECTIONAL INDUSTRIES

34	General Fund--State Appropriation (FY 2010)	\$2,583,000
35	General Fund--State Appropriation (FY 2011)	\$2,572,000
36	TOTAL APPROPRIATION	\$5,155,000

37 (5) INTERAGENCY PAYMENTS

1 General Fund--State Appropriation (FY 2010) \$40,455,000
 2 General Fund--State Appropriation (FY 2011) \$40,777,000
 3 TOTAL APPROPRIATION \$81,232,000

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

6 General Fund--State Appropriation (FY 2010) \$2,548,000
 7 General Fund--State Appropriation (FY 2011) \$2,564,000
 8 General Fund--Federal Appropriation \$18,673,000
 9 General Fund--Private/Local Appropriation \$20,000
 10 TOTAL APPROPRIATION \$23,805,000

11 NEW SECTION. **Sec. 225. FOR THE EMPLOYMENT SECURITY DEPARTMENT**

12 General Fund--State Appropriation (FY 2010) \$57,000
 13 General Fund--State Appropriation (FY 2011) \$57,000
 14 General Fund--Federal Appropriation \$316,986,000
 15 General Fund--Private/Local Appropriation \$33,836,000
 16 Unemployment Compensation Administration
 17 Account--Federal Appropriation \$327,264,000
 18 Administrative Contingency Account--State
 19 Appropriation \$12,742,000
 20 Employment Service Administrative Account--
 21 State Appropriation \$30,828,000
 22 TOTAL APPROPRIATION \$721,770,000

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

25 (1) \$41,662,000 of the unemployment compensation administration
 26 account--federal appropriation is provided from amounts made available
 27 to the state by section 903(d) of the social security act (Reed act).
 28 This amount is authorized to continue current unemployment insurance
 29 functions and department services to employers and job seekers.

30 (2) \$32,067,000 of the unemployment compensation administration
 31 account--federal appropriation is provided from amounts made available
 32 to the state by section 903(d) of the social security act (Reed act).
 33 This amount is authorized to fund the replacement of the unemployment
 34 insurance tax information system (TAXIS) for the employment security
 35 department.

1 (3) \$110,000 of the unemployment compensation administration
2 account--federal appropriation is provided solely for implementation of
3 Senate Bill No. 5804 (leaving part time work voluntarily). If the bill
4 is not enacted by June 30, 2009, the amounts provided in this
5 subsection shall lapse.

6 (4) \$1,099,000 of the unemployment compensation administration
7 account--federal appropriation is provided solely for implementation of
8 Senate Bill No. 5963 (unemployment insurance). If the bill is not
9 enacted by June 30, 2009, the amounts provided in this subsection shall
10 lapse.

(End of part)

PART III
NATURAL RESOURCES

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

General Fund--State Appropriation (FY 2010)	\$476,000
General Fund--State Appropriation (FY 2011)	\$478,000
General Fund--Federal Appropriation	\$30,000
General Fund--Private/Local Appropriation	\$1,074,000
TOTAL APPROPRIATION	\$2,058,000

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

General Fund--State Appropriation (FY 2010)	\$62,290,000
General Fund--State Appropriation (FY 2011)	\$60,159,000
General Fund--Federal Appropriation	\$82,979,000
General Fund--Private/Local Appropriation	\$16,709,000
Special Grass Seed Burning Research Account--State Appropriation	\$14,000
Reclamation Account--State Appropriation	\$3,718,000
Flood Control Assistance Account--State Appropriation	\$1,984,000
Waste Reduction/Recycling/Litter Control--State Appropriation	\$14,675,000
State Drought Preparedness Account--State Appropriation	\$118,000
State and Local Improvements Revolving Account (Water Supply Facilities)--State Appropriation	\$432,000
Freshwater Aquatic Algae Control Account--State Appropriation	\$365,000
Water Rights Tracking System Account--State Appropriation	\$116,000
Site Closure Account--State Appropriation	\$706,000
Wood Stove Education and Enforcement Account-- State Appropriation	\$615,000
Worker and Community Right-to-Know Account-- State Appropriation	\$1,697,000
State Toxics Control Account--State Appropriation	\$102,274,000
State Toxics Control Account--Private/Local	

1	Appropriation	\$387,000
2	Local Toxics Control Account--State Appropriation	\$24,815,000
3	Water Quality Permit Account--State Appropriation	\$38,272,000
4	Underground Storage Tank Account--State	
5	Appropriation	\$3,352,000
6	Biosolids Permit Account--State Appropriation	\$1,426,000
7	Hazardous Waste Assistance Account--State	
8	Appropriation	\$6,029,000
9	Air Pollution Control Account--State Appropriation	\$2,865,000
10	Oil Spill Prevention Account--State Appropriation	\$10,826,000
11	Air Operating Permit Account--State Appropriation	\$2,837,000
12	Freshwater Aquatic Weeds Account--State	
13	Appropriation	\$1,703,000
14	Oil Spill Response Account--State Appropriation	\$7,078,000
15	Metals Mining Account--State Appropriation	\$14,000
16	Water Pollution Control Revolving Account--State	
17	Appropriation	\$474,000
18	Water Pollution Control Revolving Account--Federal	
19	Appropriation	\$1,966,000
20	Emissions Reduction Assistance Account--State	
21	Appropriation	\$49,000
22	Saltwater Algae Control Account--State Appropriation	\$144,000
23	TOTAL APPROPRIATION	\$451,088,000

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

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

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

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

1 (4) \$3,600,000 of the local toxics account--state appropriation is
2 provided solely for the standby emergency rescue tug stationed at Neah
3 Bay.

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

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

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

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

19 (9) RCW 70.105.280 authorizes the department to assess reasonable
20 service charges against those facilities that store, treat, incinerate,
21 or dispose of dangerous or extremely hazardous waste that involves both
22 a nonradioactive hazardous component and a radioactive component.
23 Service charges may not exceed the costs to the department in carrying
24 out the duties in RCW 70.105.280. The current service charges do not
25 meet the costs of the department to carry out its duties. Pursuant to
26 RCW 43.135.055 and 70.105.280, the department is authorized to increase
27 the service charges no greater than 15 percent for fiscal year 2010 and
28 no greater than 12 percent for fiscal year 2011.

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

35 (11) \$813,000 of the air pollution control account--state
36 appropriation and \$49,000 of the emissions reduction account--state
37 appropriation are provided solely for implementation of Engrossed

1 Second Substitute Senate Bill No. 5735 (reducing greenhouse gas
2 emissions). If the bill is not enacted by June 30, 2009, the amounts
3 provided in this subsection shall lapse.

4 (12) \$144,000 of the saltwater algae control account--state
5 appropriation is provided solely for implementation of Senate Bill No.
6 5412 (saltwater algae control). If the bill is not enacted by June 30,
7 2009, the amount provided in this subsection shall lapse.

8 (13) \$194,000 of the general fund--state appropriation for fiscal
9 year 2010 and \$182,000 of the general fund--state appropriation for
10 fiscal year 2011 are provided solely for implementation of Engrossed
11 Second Substitute Bill No. 5138 (climate change response). If the bill
12 is not enacted by June 30, 2009, the amounts provided in this
13 subsection shall lapse.

14 (14) \$63,000 of the state toxics control account--state
15 appropriation is provided solely for implementation of Substitute
16 Senate Bill No. 5797 (solid waste handling permit). If the bill is not
17 enacted by June 30, 2009, the amount provided in this subsection shall
18 lapse.

19 (15) \$31,000 of the general fund--state appropriation for fiscal
20 year 2010 and \$11,000 of the general fund--state appropriation for
21 fiscal year 2011 are provided solely for implementation of Engrossed
22 Second Substitute Bill No. 5560 (agency climate leadership). If the
23 bill is not enacted by June 30, 2009, the amounts provided in this
24 subsection shall lapse.

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

27	General Fund--State Appropriation (FY 2010)	\$26,746,000
28	General Fund--State Appropriation (FY 2011)	\$25,989,000
29	General Fund--Federal Appropriation	\$5,927,000
30	General Fund--Private/Local Appropriation	\$73,000
31	Winter Recreation Program Account--State	
32	Appropriation	\$1,561,000
33	Off-Road Vehicle Account--State Appropriation	\$240,000
34	Snowmobile Account--State Appropriation	\$4,845,000
35	Aquatic Lands Enhancement Account--State Appropriation	\$369,000
36	Parks Renewal and Stewardship Account--State	
37	Appropriation	\$71,840,000

1 incentives to further promote coordination to ensure that effective and
2 efficient mechanisms for delivery of salmon recovery funding board
3 funds are being utilized. The salmon recovery funding board shall
4 distribute its operational funding to the appropriate entities based on
5 this assessment.

6 (2) \$204,000 of the general fund--state appropriation for fiscal
7 year 2010 and \$244,000 of the general fund--state appropriation for
8 fiscal year 2011 are provided solely for the implementation of
9 Substitute House Bill No. 2157 (salmon recovery). If the bill is not
10 enacted by June 30, 2009, the amounts provided in this subsection shall
11 lapse.

12 NEW SECTION. **Sec. 305. FOR THE ENVIRONMENTAL HEARINGS OFFICE**

13 General Fund--State Appropriation (FY 2010) \$1,094,000
14 General Fund--State Appropriation (FY 2011) \$1,086,000
15 TOTAL APPROPRIATION \$2,180,000

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

17 General Fund--State Appropriation (FY 2010) \$7,719,000
18 General Fund--State Appropriation (FY 2011) \$7,727,000
19 General Fund--Federal Appropriation \$1,179,000
20 TOTAL APPROPRIATION \$16,625,000

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

22 General Fund--State Appropriation (FY 2010) \$44,185,000
23 General Fund--State Appropriation (FY 2011) \$42,686,000
24 General Fund--Federal Appropriation \$86,829,000
25 General Fund--Private/Local Appropriation \$47,766,000
26 Off-Road Vehicle Account--State Appropriation \$419,000
27 Aquatic Lands Enhancement Account--State
28 Appropriation \$6,792,000
29 Recreational Fisheries Enhancement--State
30 Appropriation \$3,657,000
31 Warm Water Game Fish Account--State Appropriation \$2,896,000
32 Eastern Washington Pheasant Enhancement Account--
33 State Appropriation \$757,000
34 Aquatic Invasive Species Enforcement Account--
35 State Appropriation \$206,000

1	Aquatic Invasive Species Prevention Account--	
2	State Appropriation	\$845,000
3	Wildlife Account--State Appropriation	\$65,625,000
4	Game Special Wildlife Account--State Appropriation	\$2,391,000
5	Game Special Wildlife Account--Federal Appropriation	\$8,930,000
6	Game Special Wildlife Account--Private/Local	
7	Appropriation	\$487,000
8	Wildlife Rehabilitation Account--State Appropriation	\$270,000
9	Regional Fisheries Salmonid Recovery Account--	
10	Federal Appropriation	\$5,001,000
11	Oil Spill Prevention Account--State Appropriation	\$892,000
12	Oyster Reserve Land Account--State Appropriation	\$918,000
13	TOTAL APPROPRIATION	\$321,552,000

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

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

19 (2) \$400,000 of the general fund--state appropriation for fiscal
20 year 2010 and \$400,000 of the general fund--state appropriation for
21 fiscal year 2011 are provided solely for a state match to support the
22 Puget Sound nearshore partnership between the department and the U.S.
23 army corps of engineers.

24 (3) \$536,000 of the general fund--state appropriation for fiscal
25 year 2010 and \$603,000 of the general fund--state appropriation for
26 fiscal year 2011 are provided solely for the department to implement a
27 pilot project with the Confederated Tribes of the Colville Reservation
28 to develop expanded recreational fishing opportunities on Lake Rufus
29 Woods and its northern shoreline and to conduct joint enforcement of
30 lake fisheries on Lake Rufus Woods and adjoining waters, pursuant to
31 state and tribal intergovernmental agreements developed under the
32 Columbia River water supply program. For the purposes of the pilot
33 project:

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

37 (b) The Colville Tribes have agreed to provide to holders of its

1 nontribal member fishing permits a means to demonstrate that fish in
2 their possession were lawfully taken in Lake Rufus Woods;

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

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

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

13 (4) Prior to submitting its 2011-2013 biennial operating and
14 capital budget request related to state fish hatcheries to the office
15 of financial management, the department shall contract with the
16 hatchery scientific review group (HSRG) to review this request. This
17 review shall: (a) Determine if the proposed requests are consistent
18 with HSRG recommendations; (b) prioritize the components of the
19 requests based on their contributions to protecting wild salmonid
20 stocks and meeting the recommendations of the HSRG; and (c) evaluate
21 whether the proposed requests are being made in the most cost effective
22 manner. The department shall provide a copy of the HSRG review to the
23 office of financial management with their agency budget proposal.

24 (5) Within existing funds, the department shall continue
25 implementing its capital program action plan dated September 1, 2007,
26 including the purchase of the necessary maintenance and support costs
27 for the capital programs and engineering tools. The department shall
28 report to the office of financial management and the appropriate
29 committees of the legislature, its progress in implementing the plan,
30 including improvements instituted in its capital program, by September
31 30, 2011.

32 (6) \$100,000 of the general fund--state appropriation for fiscal
33 year 2010 and \$100,000 of the general fund--state appropriation for
34 fiscal year 2011 are provided solely for removal of derelict gear in
35 Washington waters.

36 (7) The department of fish and wildlife shall dispose of all fixed
37 wing aircraft it currently owns. The proceeds from the aircraft shall

1 be deposited into the state wildlife account. Disposal of the aircraft
2 must occur no later than June 30, 2010.

3 (8) \$50,000 of the general fund--state appropriation for fiscal
4 year 2010 is provided solely for an electron project fish passage study
5 consistent with the recommendations and protocols contained in the 2008
6 electron project downstream fish passage final report.

7 (9) \$60,000 of the general fund--state appropriation for fiscal
8 year 2010 and \$60,000 of the general fund--state appropriation for
9 fiscal year 2011 are provided solely for implementation of Engrossed
10 Second Substitute Bill No. 5138 (climate change response). If the bill
11 is not enacted by June 30, 2009, the amounts provided in this
12 subsection shall lapse.

13 (10) Within the constraints of legally binding tribal agreements,
14 the department shall dispose of, by removal, sale, lease, reversion, or
15 transfer of ownership, the following hatcheries: McKernan, Colville,
16 Omak, Bellingham, Arlington, and Mossyrock. Disposal of the hatcheries
17 must occur by June 30, 2011, and any proceeds received from disposal
18 shall be deposited in the state wildlife account. Within available
19 funds, the department shall provide quarterly reports on the progress
20 of disposal to the office of financial management and the appropriate
21 fiscal committees of the legislature. The first report shall be
22 submitted no later than September 30, 2009.

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

24	General Fund--State Appropriation (FY 2010)	\$42,483,000
25	General Fund--State Appropriation (FY 2011)	\$42,873,000
26	General Fund--Federal Appropriation	\$26,757,000
27	General Fund--Private/Local Appropriation	\$1,373,000
28	Forest Development Account--State Appropriation	\$42,265,000
29	Off Road Vehicle Account--State Appropriation	\$4,274,000
30	Surveys and Maps Account--State Appropriation	\$2,563,000
31	Aquatic Lands Enhancement Account--State	
32	Appropriation	\$7,295,000
33	Resources Management Cost Account--State	
34	Appropriation	\$79,889,000
35	Surface Mining Reclamation Account--State	
36	Appropriation	\$3,519,000
37	Disaster Response Account--State Appropriation	\$5,000,000

1 (4) \$600,000 of the derelict vessel removal account--state
2 appropriation is provided solely for removal of derelict and abandoned
3 vessels that have the potential to contaminate Puget Sound.

4 (5) The department of natural resources shall dispose of the King
5 Air aircraft it currently owns. Disposal of the aircraft must occur no
6 later than June 30, 2010, and the proceeds from the sale of the
7 aircraft shall be deposited into the natural resources equipment
8 revolving fund. At the expiration of current leases, the department
9 shall lease facilities in eastern Washington sufficient to house the
10 necessary aircraft, mechanics, and pilots used for forest fire
11 prevention and suppression.

12 (6) \$2,087,250 of the state general fund--state appropriation for
13 fiscal year 2010, \$2,087,250 of the state general fund--state
14 appropriation for fiscal year 2011, \$2,730,900 of the resource
15 management cost account--state appropriation, and \$2,022,300 of the
16 forest development account--state appropriation are provided solely for
17 forest work crews that support correctional camps and are contingent
18 upon continuing operations of Naselle youth camp at the level provided
19 in fiscal year 2008.

20 (7) \$30,000 of the general fund--state appropriation for fiscal
21 year 2010 and \$30,000 of the general fund--state appropriation for
22 fiscal year 2011 are provided solely for implementation of Engrossed
23 Second Substitute Bill No. 5138 (climate change response). If the bill
24 is not enacted by June 30, 2009, the amounts provided in this
25 subsection shall lapse.

26 (8) \$666,000 of the general fund--federal appropriation is provided
27 solely to implement House Bill No. 2165 (forest biomass energy
28 project). If the bill is not enacted by June 30, 2009, the amount
29 provided in this subsection shall lapse.

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

31	General Fund--State Appropriation (FY 2010)	\$12,777,000
32	General Fund--State Appropriation (FY 2011)	\$12,424,000
33	General Fund--Federal Appropriation	\$11,641,000
34	General Fund--Private/Local Appropriation	\$200,000
35	Aquatic Lands Enhancement Account--State	
36	Appropriation	\$2,570,000
37	State Toxics Control Account--State Appropriation	\$4,323,000

1 Water Quality Permit Account--State Appropriation \$63,000
2 TOTAL APPROPRIATION \$43,998,000

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

5 (1) \$350,000 of the aquatic lands enhancement account appropriation
6 is provided solely for funding to the Pacific county noxious weed
7 control board to eradicate remaining spartina in Willipa Bay.

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

15 (3) \$63,000 of the general fund--state appropriation for fiscal
16 year 2010 is provided solely for implementation of Engrossed Substitute
17 Bill No. 5005 (naturally raised beef cattle). If the bill is not
18 enacted by June 30, 2009, the amounts provided in this subsection shall
19 lapse.

20 (4) \$25,000 of the state toxics control account--state
21 appropriation is provided solely for implementation of Substitute
22 Senate Bill No. 5797 (solid waste handling permits). If the bill is
23 not enacted by June 30, 2009, the amounts provided in this subsection
24 shall lapse.

25 (5) The department is authorized to establish or increase the
26 following fees in the 2009-2011 fiscal biennium as necessary to meet
27 the actual costs of conducting business and the appropriation levels in
28 this section: Christmas tree grower licensing, nursery dealer
29 licensing, plant pest inspection and testing, and commission merchant
30 licensing.

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

33 Pollution Liability Insurance Program Trust
34 Account--State Appropriation \$646,000

35 NEW SECTION. **Sec. 311. FOR THE PUGET SOUND PARTNERSHIP**
36 General Fund--State Appropriation (FY 2010) \$4,002,000

1	General Fund--State Appropriation (FY 2011)	\$3,657,000
2	General Fund--Federal Appropriation	\$3,625,000
3	Aquatic Lands Enhancement Account--State Appropriation	\$500,000
4	State Toxics Control Account--State Appropriation	\$741,000
5	TOTAL APPROPRIATION	\$12,525,000

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

8 (1) \$305,000 of the general fund--state appropriation for fiscal
9 year 2010 and \$170,000 of the state toxics control account--state
10 appropriation for fiscal year 2010 are provided solely for measuring
11 water and habitat quality to determine watershed health and assist
12 salmon recovery.

13 (2) Within the amounts appropriated in this section, the Puget
14 Sound partnership shall provide independent advice and assessment of
15 the state's oil spill prevention, preparedness, and response programs
16 to the departments of ecology and fish and wildlife, including review
17 of existing activities and recommendations for any necessary
18 improvements.

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

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

(End of part)

1 (4) \$289,000 of the architects' license account--state
2 appropriation is provided solely to implement Senate Bill No. 5529
3 (architects). If the bill is not enacted by June 30, 2009, the amount
4 provided in this subsection shall lapse.

5 (5) \$358,000 of the business and professions account--state
6 appropriation is provided solely to implement Senate Bill No. 6126
7 (professional athletics). If the bill is not enacted by June 30, 2009,
8 the amount provided in this subsection shall lapse.

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

10	General Fund--State Appropriation (FY 2010)	\$41,792,000
11	General Fund--State Appropriation (FY 2011)	\$40,577,000
12	General Fund--Federal Appropriation	\$11,452,000
13	General Fund--Private/Local Appropriation	\$2,935,000
14	Death Investigations Account--State Appropriation	\$6,084,000
15	Enhanced 911 Account--State Appropriation	\$606,000
16	County Criminal Justice Assistance Account--State	
17	Appropriation	\$3,200,000
18	Municipal Criminal Justice Assistance Account--State	
19	Appropriation	\$1,267,000
20	Fire Service Trust Account--State Appropriation	\$131,000
21	Disaster Response Account--State Appropriation	\$8,002,000
22	Fire Service Training Account--State Appropriation	\$8,743,000
23	Aquatic Invasive Species Enforcement Account--State	
24	Appropriation	\$54,000
25	State Toxics Control Account--State Appropriation	\$507,000
26	Fingerprint Identification Account--State Appropriation	\$7,393,000
27	TOTAL APPROPRIATION	\$132,743,000

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

30 (1) \$200,000 of the fire service training account--state
31 appropriation is provided solely for two FTEs in the office of the
32 state director of fire protection to exclusively review K-12
33 construction documents for fire and life safety in accordance with the
34 state building code. It is the intent of this appropriation to provide
35 these services only to those districts that are located in counties
36 without qualified review capabilities.

1 (2) \$8,000,000 of the disaster response account--state
2 appropriation is provided solely for Washington state fire service
3 resource mobilization costs incurred in response to an emergency or
4 disaster authorized under RCW 43.43.960 and 43.43.964. The state
5 patrol shall submit a report quarterly to the office of financial
6 management and the legislative fiscal committees detailing information
7 on current and planned expenditures from this account. This work shall
8 be done in coordination with the military department.

9 (3) The department shall dispose of the two King Air aircraft it
10 currently owns. The proceeds from the sale of the airplanes shall be
11 deposited into the state general fund and the state patrol highway
12 account in equal amounts. Disposal of the aircraft must occur no later
13 than June 30, 2011.

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

(End of part)

PART V
EDUCATION

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

General Fund--State Appropriation (FY 2010)	\$33,200,000
General Fund--State Appropriation (FY 2011)	\$31,105,000
General Fund--Federal Appropriation	\$86,571,000
TOTAL APPROPRIATION	\$150,876,000

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

(1) A maximum of \$21,487,000 of the general fund--state appropriation for fiscal year 2010, \$19,823,000 of the general fund--state appropriation for fiscal year 2011, and \$21,478,000 of the general fund--federal appropriation is for state agency operations.

(a) \$11,901,000 of the general fund--state appropriation for fiscal year 2010 and \$11,462,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

(i) Within amounts appropriated in this subsection (1)(a), the office of the superintendent of public instruction, consistent with 392-121-182 (alternative learning experience requirements) which requires documentation of alternative learning experience student headcount and full-time equivalent (FTE) enrollment claimed for basic education funding, shall provide, via the monthly report of school district enrollment, accurate monthly headcount and FTE enrollments for students in internet alternative learning experience (ALE) programs as well as information about resident and serving districts.

(ii) Within amounts appropriated in this subsection (1)(a), the office of the superintendent of public instruction shall work with the office of financial management to assess the state allocation for internet alternative learning experience (ALE) programs, relative to the basic education general allocation. The assessment shall include but not be limited to a comparison of staffing ratios, nonemployee-related costs, and facility requirements. Further, given Washington Administrative Code requirements for monthly progress reviews by school staff as well as requirements for direct personal contact with

1 students, and the potential for necessary services at both the resident
2 and the serving district, the assessment shall include an analysis of
3 the appropriate share of per-student allocations between resident
4 districts and serving districts in the event the districts are not the
5 same. The office of the superintendent of public instruction shall
6 report to the senate ways and means committee and the house ways and
7 means committee by November 1, 2009, with the results and
8 recommendations for adjusting the state allocation for online learning
9 relative to the basic education general allocation and for allocating
10 appropriate distributions between districts.

11 (b) \$1,043,000 of the general fund--state appropriation for fiscal
12 year 2010 and \$965,000 of the general fund--state appropriation for
13 fiscal year 2011 are provided solely for the operation and expenses of
14 the state board of education, including basic education assistance
15 activities. \$78,000 of the general fund--state appropriation for
16 fiscal year 2010 is provided solely for implementation of Engrossed
17 Substitute Senate Bill No. 5449 (relating to a statewide effort to
18 establish and meet graduation and reengagement goals). If the bill is
19 not enacted by June 30, 2009, the amount provided in this subsection
20 shall lapse.

21 (c) \$5,278,000 of the general fund--state appropriation for fiscal
22 year 2010 and \$5,176,000 of the general fund--state appropriation for
23 fiscal year 2011 are provided solely to the professional educator
24 standards board for the following:

25 (i) \$1,070,000 for fiscal year 2010 and \$1,070,000 for fiscal year
26 2011 are for the operation and expenses of the Washington professional
27 educator standards board, including administering the alternative
28 routes to certification program, pipeline for paraeducators conditional
29 scholarship loan program, and the retooling to teach math conditional
30 loan program and recruiting diverse teachers program;

31 (ii) \$3,431,000 of the general fund--state appropriation for fiscal
32 year 2010 and \$3,431,000 of the general fund--state appropriation for
33 fiscal year 2011 are for conditional scholarship loans and mentor
34 stipends provided through the alternative routes to certification
35 program administered by the professional educator standards board. Of
36 the amounts provided in this subsection (1)(c)(ii):

37 (A) \$500,000 each year is provided solely for conditional

1 scholarships to candidates seeking an endorsement in special education,
2 math, science, or bilingual education;

3 (B) \$2,372,000 for fiscal year 2010 and \$2,372,000 for fiscal year
4 2011 are for the expansion of conditional scholarship loans and mentor
5 stipends for individuals enrolled in alternative route state
6 partnership programs and seeking endorsements in math, science, special
7 education or bilingual education;

8 (C) Remaining amounts in this subsection (1)(c)(ii) shall be used
9 to continue existing alternative routes to certification programs; and

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

12 (iii) \$102,000 of the general fund--state appropriation for fiscal
13 year 2010 is provided solely for implementation of Second Substitute
14 Senate Bill No. 5973 (relating to closing the achievement gap in order
15 to provide all students an excellent and equitable education). If the
16 bill is not enacted by June 30, 2009, the amounts provided in this
17 subsection shall lapse.

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

21 (v) \$200,000 of the general fund--state appropriation for fiscal
22 year 2010 and \$200,000 of the general fund--state appropriation for
23 fiscal year 2011 are for \$4,000 conditional loan stipends for
24 paraeducators participating in the pipeline for paraeducators program;
25 and

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

33 (d) \$1,099,000 of the general fund--state appropriation for fiscal
34 year 2010 and \$144,000 of the general fund--state appropriation for
35 fiscal year 2011 are provided solely for replacement of the
36 apportionment and grant payment system, which includes the processes
37 that collect school district budget and expenditure information,

1 staffing characteristics, and the student enrollments that drive the
2 funding process.

3 (e) \$1,146,000 of the general fund--state appropriation for fiscal
4 year 2010 and \$1,146,000 of the general fund--state appropriation for
5 fiscal year 2011 are provided solely for the creation of a statewide
6 data base of longitudinal student information. This amount is
7 conditioned on the department satisfying the requirements in section
8 902 of this act.

9 (f) During the 2009-11 biennium, to the maximum extent possible, in
10 adopting new agency rules or making any changes to existing rules or
11 policies related to the fiscal provisions in the administration of part
12 V of this act, the office of the superintendent of public instruction
13 shall attempt to request approval through the normal legislative budget
14 process.

15 (2) \$11,713,000 of the general fund--state appropriation for fiscal
16 year 2010, \$11,282,000 of the general fund--state appropriation for
17 fiscal year 2011, and \$55,890,000 of the general fund--federal
18 appropriation are provided solely for statewide programs.

19 (3) \$44,000 of the general fund--state appropriation for fiscal
20 year 2010 and \$45,000 of the general fund--state appropriation for
21 fiscal year 2011 are provided solely for implementation of Substitute
22 Senate Bill No. 5248 (relating to the interstate compact on educational
23 opportunity for military children). If the bill is not enacted by June
24 30, 2009, the amounts provided in this subsection shall lapse.

25 (4) \$50,000 of the general fund--state appropriation for fiscal
26 year 2010 and \$50,000 of the general fund--state appropriation for
27 fiscal year 2011 are provided solely for implementation of Engrossed
28 Senate Bill No. 6048 (relating to education). If the bill is not
29 enacted by June 30, 2009, the amounts provided in this subsection shall
30 lapse.

31 (5) \$610,000 of the general fund--state appropriation for fiscal
32 year 2010 and \$518,000 of the general fund--state appropriation for
33 fiscal year 2011 are provided solely for implementation of Substitute
34 Senate Bill No. 5410 (relating to online learning). If the bill is not
35 enacted by June 30, 2009, the amounts provided in this subsection shall
36 lapse.

37 (a) HEALTH AND SAFETY

1 (i) \$2,541,000 of the general fund--state appropriation for fiscal
2 year 2010 and \$2,541,000 of the general fund--state appropriation for
3 fiscal year 2011 are provided solely for a corps of nurses located at
4 educational service districts, as determined by the superintendent of
5 public instruction, to be dispatched to the most needy schools to
6 provide direct care to students, health education, and training for
7 school staff.

8 (ii) \$100,000 of the general fund--state appropriation for fiscal
9 year 2010 and \$100,000 of the general fund--state appropriation for
10 fiscal year 2011 are provided solely for a school safety training
11 program provided by the criminal justice training commission. The
12 commission, in collaboration with the school safety center advisory
13 committee, shall provide the school safety training for all school
14 administrators and school safety personnel, including school safety
15 personnel hired after the effective date of this section.

16 (iii) \$9,670,000 of the general fund--federal appropriation is
17 provided for safe and drug free schools and communities grants for drug
18 and violence prevention activities and strategies.

19 (b) TECHNOLOGY

20 (i) \$1,939,000 of the general fund--state appropriation for fiscal
21 year 2010 and \$1,939,000 of the general fund--state appropriation for
22 fiscal year 2011 are provided solely for K-20 telecommunications
23 network technical support in the K-12 sector to prevent system failures
24 and avoid interruptions in school utilization of the data processing
25 and video-conferencing capabilities of the network. These funds may be
26 used to purchase engineering and advanced technical support for the
27 network.

28 (ii) \$1,475,000 of the general fund--state appropriation for fiscal
29 year 2010, \$1,045,000 of the general fund--state appropriation for
30 fiscal year 2011, and \$435,000 of the general fund--federal
31 appropriation are provided solely for implementation of Engrossed
32 Second Substitute Senate Bill No. 5941 (relating to comprehensive
33 education data). If the bill is not enacted by June 30, 2009, the
34 state funds provided in this subsection shall lapse.

35 (iii) \$1,656,000 of the general fund--federal appropriation for
36 fiscal year 2010 and \$2,483,000 of the general fund--federal
37 appropriation for fiscal year 2011 of the American recovery and
38 reinvestment act (ARRA) of 2009 funds for education technology are

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

7 (c) GRANTS AND ALLOCATIONS

8 (i) \$1,329,000 of the general fund--state appropriation for fiscal
9 year 2010 and \$1,329,000 of the general fund--state appropriation for
10 fiscal year 2011 are provided solely to cover up to seven participating
11 districts. The office of the superintendent of public instruction
12 shall allocate these funds to the district or districts participating
13 in the program according to the provisions of RCW 28A.630.016.

14 (ii) \$31,000 of the general fund--state appropriation for fiscal
15 year 2010 and \$31,000 of the general fund--state appropriation for
16 fiscal year 2011 are provided solely for operation of the Cispus
17 environmental learning center.

18 (iii) \$700,000 of the general fund--state appropriation for fiscal
19 year 2010 and \$700,000 of the general fund--state appropriation for
20 fiscal year 2011 are provided solely for the Washington state achievers
21 scholarship program. The funds shall be used to support community
22 involvement officers that recruit, train, and match community volunteer
23 mentors with students selected as achievers scholars.

24 (iv) \$175,000 of the general fund--state appropriation for fiscal
25 year 2010 and \$175,000 of the general fund--state appropriation for
26 fiscal year 2011 are provided solely for incentive grants for districts
27 and pilot projects to develop preapprenticeship programs. Incentive
28 grant awards up to \$10,000 each shall be used to support the program's
29 design, school/business/labor agreement negotiations, and recruiting
30 high school students for preapprenticeship programs in the building
31 trades and crafts.

32 (v) \$3,220,000 of the general fund--state appropriation for fiscal
33 year 2010 and \$3,219,000 of the general fund--state appropriation for
34 fiscal year 2011 are provided solely for the dissemination of the
35 Navigation 101 curriculum to all districts, including disseminating
36 electronic student planning tools and software for analyzing the impact
37 of the implementation of Navigation 101 on student performance, and
38 grants to at least one hundred school districts each year for the

1 implementation of the Navigation 101 program. The implementation
2 grants will be limited to a maximum of two years and the school
3 districts selected shall represent various regions of the state and
4 reflect differences in school district size and enrollment
5 characteristics.

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

8	General Fund--State Appropriation (FY 2010)	\$5,065,861,000
9	General Fund--State Appropriation (FY 2011)	\$5,441,785,000
10	General Fund--Federal Appropriation	\$240,000,000
11	TOTAL APPROPRIATION	\$10,747,646,000

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

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

17 (2) Allocations for certificated staff salaries for the 2009-10 and
18 2010-11 school years shall be determined using formula-generated staff
19 units calculated pursuant to this subsection. Staff allocations for
20 small school enrollments in (e) through (g) of this subsection shall be
21 reduced for vocational full-time equivalent enrollments. Staff
22 allocations for small school enrollments in grades K-6 shall be the
23 greater of that generated under (a) of this subsection, or under (d)
24 and (e) of this subsection. Certificated staffing allocations shall be
25 as follows:

26 (a) On the basis of each 1,000 average annual full-time equivalent
27 enrollments, excluding full-time equivalent enrollment otherwise
28 recognized for certificated staff unit allocations under (d) through
29 (g) of this subsection:

30 (i) Four certificated administrative staff units per thousand full-
31 time equivalent students in grades K-12;

32 (ii) Forty-nine certificated instructional staff units per thousand
33 full-time equivalent students in grades K-3; and

34 (iii) Forty-six certificated instructional staff units per thousand
35 full-time equivalent students in grades 4-12;

36 (b) For school districts with a minimum enrollment of 250 full-time
37 equivalent students whose full-time equivalent student enrollment count

1 in a given month exceeds the first of the month full-time equivalent
2 enrollment count by 5 percent, an additional state allocation of 110
3 percent of the share that such increased enrollment would have
4 generated had such additional full-time equivalent students been
5 included in the normal enrollment count for that particular month;

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

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

11 (B) Skills center programs meeting the standards for skills center
12 funding established in January 1999 by the superintendent of public
13 instruction with a waiver allowed for skills centers in current
14 operation that are not meeting this standard until the 2008-09 school
15 year, 0.92 certificated instructional staff units and 0.08 certificated
16 administrative units for each 16.67 full-time equivalent vocational
17 students;

18 (ii) Vocational full-time equivalent enrollment shall be reported
19 on the same monthly basis as the enrollment for students eligible for
20 basic support, and payments shall be adjusted for reported vocational
21 enrollments on the same monthly basis as those adjustments for
22 enrollment for students eligible for basic support; and

23 (iii) Indirect cost charges by a school district to vocational-
24 secondary programs shall not exceed 15 percent of the combined basic
25 education and vocational enhancement allocations of state funds;

26 (d) For districts enrolling not more than twenty-five average
27 annual full-time equivalent students in grades K-8, and for small
28 school plants within any school district which have been judged to be
29 remote and necessary by the state board of education and enroll not
30 more than twenty-five average annual full-time equivalent students in
31 grades K-8:

32 (i) For those enrolling no students in grades 7 and 8, 1.76
33 certificated instructional staff units and 0.24 certificated
34 administrative staff units for enrollment of not more than five
35 students, plus one-twentieth of a certificated instructional staff unit
36 for each additional student enrolled; and

37 (ii) For those enrolling students in grades 7 or 8, 1.68
38 certificated instructional staff units and 0.32 certificated

1 administrative staff units for enrollment of not more than five
2 students, plus one-tenth of a certificated instructional staff unit for
3 each additional student enrolled;

4 (e) For specified enrollments in districts enrolling more than
5 twenty-five but not more than one hundred average annual full-time
6 equivalent students in grades K-8, and for small school plants within
7 any school district which enroll more than twenty-five average annual
8 full-time equivalent students in grades K-8 and have been judged to be
9 remote and necessary by the state board of education:

10 (i) For enrollment of up to sixty annual average full-time
11 equivalent students in grades K-6, 2.76 certificated instructional
12 staff units and 0.24 certificated administrative staff units; and

13 (ii) For enrollment of up to twenty annual average full-time
14 equivalent students in grades 7 and 8, 0.92 certificated instructional
15 staff units and 0.08 certificated administrative staff units;

16 (f) For districts operating no more than two high schools with
17 enrollments of less than three hundred average annual full-time
18 equivalent students, for enrollment in grades 9-12 in each such school,
19 other than alternative schools:

20 (i) For remote and necessary schools enrolling students in any
21 grades 9-12 but no more than twenty-five average annual full-time
22 equivalent students in grades K-12, four and one-half certificated
23 instructional staff units and one-quarter of a certificated
24 administrative staff unit;

25 (ii) For all other small high schools under this subsection, nine
26 certificated instructional staff units and one-half of a certificated
27 administrative staff unit for the first sixty average annual full time
28 equivalent students, and additional staff units based on a ratio of
29 0.8732 certificated instructional staff units and 0.1268 certificated
30 administrative staff units per each additional forty-three and one-half
31 average annual full time equivalent students.

32 Units calculated under (g)(ii) of this subsection shall be reduced
33 by certificated staff units at the rate of forty-six certificated
34 instructional staff units and four certificated administrative staff
35 units per thousand vocational full-time equivalent students;

36 (g) For each nonhigh school district having an enrollment of more
37 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; and

4 (i) 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 (3) Allocations for classified salaries for the 2009-10 and 2010-11
10 school years shall be calculated using formula-generated classified
11 staff units determined as follows:

12 (a) For enrollments generating certificated staff unit allocations
13 under subsection (2)(e) through (i) of this section, one classified
14 staff unit for each 3.00 certificated staff units allocated under such
15 subsections;

16 (b) For all other enrollment in grades K-12, including vocational
17 full-time equivalent enrollments, one classified staff unit for each
18 60.00 average annual full-time equivalent students; and

19 (c) For each nonhigh school district with an enrollment of more
20 than fifty annual average full-time equivalent students and less than
21 one hundred eighty students, an additional one-half of a classified
22 staff unit.

23 (4) Fringe benefit allocations shall be calculated at a rate of
24 14.62 percent in the 2009-10 school year and 14.62 percent in the 2010-
25 11 school year for certificated salary allocations provided under
26 subsection (2) of this section, and a rate of 16.70 percent in the
27 2009-10 school year and 16.70 percent in the 2010-11 school year for
28 classified salary allocations provided under subsection (3) of this
29 section.

30 (5) Insurance benefit allocations shall be calculated at the
31 maintenance rate specified in section 504(1) of this act, based on the
32 number of benefit units determined as follows:

33 (a) The number of certificated staff units determined in subsection
34 (2) of this section; and

35 (b) The number of classified staff units determined in subsection
36 (3) of this section multiplied by 1.152. This factor is intended to
37 adjust allocations so that, for the purposes of distributing insurance

1 benefits, full-time equivalent classified employees may be calculated
2 on the basis of 1440 hours of work per year, with no individual
3 employee counted as more than one full-time equivalent.

4 (6)(a) For nonemployee-related costs associated with each
5 certificated staff unit allocated under subsection (2)(a), (b), and (d)
6 through (g) of this section, there shall be provided a maximum of
7 \$10,179 per certificated staff unit in the 2009-10 school year and a
8 maximum of \$10,465 per certificated staff unit in the 2010-11 school
9 year.

10 (b) For nonemployee-related costs associated with each vocational
11 certificated staff unit allocated under subsection (2)(c)(i)(A) of this
12 section, there shall be provided a maximum of \$24,999 per certificated
13 staff unit in the 2009-10 school year and a maximum of \$25,499 per
14 certificated staff unit in the 2010-11 school year.

15 (c) For nonemployee-related costs associated with each vocational
16 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
17 section, there shall be provided a maximum of \$19,395 per certificated
18 staff unit in the 2009-10 school year and a maximum of \$19,783 per
19 certificated staff unit in the 2010-11 school year.

20 (7) Allocations for substitute costs for classroom teachers shall
21 be distributed at a maintenance rate of \$607.44 for the 2009-10 and
22 2010-11 school years per allocated classroom teachers exclusive of
23 salary increase amounts provided in section 504 of this act. Solely
24 for the purposes of this subsection, allocated classroom teachers shall
25 be equal to the number of certificated instructional staff units
26 allocated under subsection (2) of this section, multiplied by the ratio
27 between the number of actual basic education certificated teachers and
28 the number of actual basic education certificated instructional staff
29 reported statewide for the prior school year.

30 (8) Any school district board of directors may petition the
31 superintendent of public instruction by submission of a resolution
32 adopted in a public meeting to reduce or delay any portion of its basic
33 education allocation for any school year. The superintendent of public
34 instruction shall approve such reduction or delay if it does not impair
35 the district's financial condition. Any delay shall not be for more
36 than two school years. Any reduction or delay shall have no impact on
37 levy authority pursuant to RCW 84.52.0531 and local effort assistance
38 pursuant to chapter 28A.500 RCW.

1 (9) The superintendent may distribute a maximum of \$8,747,000
2 outside the basic education formula during fiscal years 2010 and 2011
3 as follows:

4 (a) For fire protection for school districts located in a fire
5 protection district as now or hereafter established pursuant to chapter
6 52.04 RCW, a maximum of \$567,000 may be expended in fiscal year 2010
7 and a maximum of \$578,000 may be expended in fiscal year 2011;

8 (b) For summer vocational programs at skills centers, a maximum of
9 \$2,385,000 may be expended for the 2010 fiscal year and a maximum of
10 \$2,385,000 for the 2011 fiscal year. 20 percent of each fiscal year
11 amount may carry over from one year to the next;

12 (c) A maximum of \$404,000 may be expended for school district
13 emergencies;

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

20 (e) \$648,000 of the general fund--state appropriation for fiscal
21 year 2010 and \$810,000 of the general fund--state appropriation for
22 fiscal year 2011 are provided solely for implementation of Second
23 Substitute Senate Bill No. 5676 (relating to middle school career and
24 technical education). If the bill is not enacted by June 30, 2009, the
25 amounts provided in this subsection shall lapse.

26 (10) For purposes of RCW 84.52.0531, the increase per full-time
27 equivalent student is 4.0 percent from the 2008-09 school year to the
28 2009-10 school year and 4.0 percent from the 2009-10 school year to the
29 2010-11 school year.

30 (11) If two or more school districts consolidate and each district
31 was receiving additional basic education formula staff units pursuant
32 to subsection (2)(b) through (h) of this section, the following shall
33 apply:

34 (a) For three school years following consolidation, the number of
35 basic education formula staff units shall not be less than the number
36 of basic education formula staff units received by the districts in the
37 school year prior to the consolidation; and

1 (b) For the fourth through eighth school years following
2 consolidation, the difference between the basic education formula staff
3 units received by the districts for the school year prior to
4 consolidation and the basic education formula staff units after
5 consolidation pursuant to subsection (2)(a) through (g) of this section
6 shall be reduced in increments of twenty percent per year.

7 (12) \$240,000,000 of the general fund--federal appropriation for
8 fiscal year 2010 from the American recovery and reinvestment act (ARRA)
9 of 2009 funds for fiscal stabilization and \$360,000,000 of the general
10 fund--state appropriation for fiscal year 2011 are provided solely for
11 distribution to school districts as provided in this subsection.
12 Following restoration of school-year 2008-09 carryforward levels for
13 the student achievement program and the local effort assistance program
14 in fiscal year 2010 with ARRA fiscal stabilization funds, distribution
15 of ARRA Title I Part A recovery funds, distribution of ARRA individuals
16 with disabilities education act (IDEA), Part B recovery funds, and
17 distribution of ARRA education technology funds, the state and federal
18 fiscal stabilization funds shall be allocated as follows:

19 (a) \$179,899,000 of the general fund--federal appropriation for
20 fiscal year 2010, or as much as remains after setting aside funds for
21 the cost of a new minimum administrative salary of \$67,126 and a new
22 minimum classified salary of \$33,428, shall be used solely to restore
23 funding levels proportionately to school districts to achieve an
24 equitable reduction from estimated maintenance-level state formula
25 allocations. To the extent that initial distribution, by formula, of
26 the funds identified in this subsection (12) yield a percent reduction
27 from maintenance level that is higher than the equitable reduction
28 achieved for other school districts, districts will be held harmless
29 and funds shall not be removed;

30 (b) \$284,625,000 of the general fund--state appropriation for
31 fiscal year 2011, or as much as remains after setting aside funds for
32 the cost of a new minimum administrative salary of \$67,126 and a new
33 minimum classified salary of \$33,428, shall be used solely to restore
34 funding levels to school districts to achieve an equitable reduction
35 from estimated maintenance-level state allocations. To the extent that
36 initial distribution, by formula, of the funds identified in this
37 subsection (12) yield a percent reduction from maintenance level that

1 is higher than the equitable reduction achieved for other school
2 districts, districts will be held harmless and funds shall not be
3 removed; and

4 (c) Remaining funds, in amounts necessary to achieve a new minimum
5 administrative salary of \$67,126 and a new minimum classified salary of
6 \$33,428 - estimated at increases of 12.18 percent and 4.14 percent
7 respectively in school year 2009-10 - shall then be distributed for
8 administrative and classified salary increases.

9 NEW SECTION. **Sec. 503. FOR THE SUPERINTENDENT OF PUBLIC**
10 **INSTRUCTION--BASIC EDUCATION EMPLOYEE COMPENSATION.** (1) The following
11 calculations determine the salaries used in the general fund
12 allocations for certificated instructional, certificated
13 administrative, and classified staff units under section 502 of this
14 act:

15 (a) Salary allocations for certificated instructional staff units
16 shall be determined for each district by multiplying the district's
17 certificated instructional total base salary shown on LEAP Document 2
18 by the district's average staff mix factor for certificated
19 instructional staff in that school year, computed using LEAP Document
20 1; and

21 (b) Salary allocations for certificated administrative staff units
22 and classified staff units for each district shall be based on the
23 district's certificated administrative and classified salary allocation
24 amounts shown on LEAP Document 2.

25 (2) For the purposes of this section:

26 (a) "LEAP Document 1" means the staff mix factors for certificated
27 instructional staff according to education and years of experience, as
28 developed by the legislative evaluation and accountability program
29 committee on April 11, 2009, 08:22 hours; and

30 (b) "LEAP Document 2" means the school year salary allocations for
31 certificated administrative staff and classified staff and derived and
32 total base salaries for certificated instructional staff as developed
33 by the legislative evaluation and accountability program committee on
34 April 11, 2009, 09:10 hours.

35 (3)(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

2

K-12 Salary Allocation Schedule For Certificated Instructional Staff

3

2009-10 School Year

4

Years of

MA+90

5

Service

BA

BA+15

BA+30

BA+45

BA+90

BA+135

MA

MA+45

or Ph.D.

6

0

34,237

35,162

36,120

37,080

40,161

42,145

41,047

44,128

46,115

7

1

34,698

35,635

36,606

37,608

40,721

42,695

41,503

44,617

46,589

8

2

35,137

36,083

37,064

38,144

41,248

43,242

41,963

45,067

47,061

9

3

35,589

36,545

37,536

38,650

41,749

43,791

42,398

45,494

47,538

10

4

36,033

37,031

38,028

39,180

42,297

44,354

42,855

45,971

48,030

11

5

36,492

37494

38,501

39,718

42,823

44,921

43,319

46,425

48,523

12

6

36,963

37,943

38,984

40,262

43,352

45,462

43,794

46,885

48,993

13

7

37,790

38,786

39,841

41,187

44,324

46,491

44,685

47,820

49,989

14

8

39,002

40,052

41,132

42,590

45,768

48,016

46,086

49,266

51,512

15

9

41,363

42,497

44,008

47,260

49,584

47,503

50,757

53,081

16

10

43,877

45,498

48,794

51,195

48,995

52,291

54,692

17

11

47,032

50,399

52,849

50,528

53,897

56,345

18

12

48,517

52,048

54,571

52,122

55,545

58,068

19

13

53,737

56,335

53,773

57,234

59,831

20

14

55,434

58,165

55,471

59,042

61,663

21

15

56,877

59,679

56,913

60,577

63,266

22

16 or more

58,014

60,871

58,051

61,788

64,531

23

24

K-12 Salary Allocation Schedule For Certificated Instructional Staff

25

2010-11 School Year

26

Years of

MA+90

27

Service

BA

BA+15

BA+30

BA+45

BA+90

BA+135

MA

MA+45

or Ph.D.

28

0

34,237

35,162

36,120

37,080

40,161

42,145

41,047

44,128

46,115

29

1

34,698

35,635

36,606

37,608

40,721

42,695

41,503

44,617

46,589

30

2

35,137

36,083

37,064

38,144

41,248

43,242

41,963

45,067

47,061

31

3

35,589

36,545

37,536

38,650

41,749

43,791

42,398

45,494

47,538

32

4

36,033

37,031

38,028

39,180

42,297

44,354

42,855

45,971

48,030

33

5

36,492

37494

38,501

39,718

42,823

44,921

43,319

46,425

48,523

1	6	36,963	37,943	38,984	40,262	43,352	45,462	43,794	46,885	48,993
2	7	37,790	38,786	39,841	41,187	44,324	46,491	44,685	47,820	49,989
3	8	39,002	40,052	41,132	42,590	45,768	48,016	46,086	49,266	51,512
4	9		41,363	42,497	44,008	47,260	49,584	47,503	50,757	53,081
5	10			43,877	45,498	48,794	51,195	48,995	52,291	54,692
6	11				47,032	50,399	52,849	50,528	53,897	56,345
7	12				48,517	52,048	54,571	52,122	55,545	58,068
8	13					53,737	56,335	53,773	57,234	59,831
9	14					55,434	58,165	55,471	59,042	61,663
10	15					56,877	59,679	56,913	60,577	63,266
11	16 or more					58,014	60,871	58,051	61,788	64,531

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

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

- 19 (i) Credits earned since receiving the masters degree; and
- 20 (ii) Any credits in excess of forty-five credits that were earned
21 after the baccalaureate degree but before the masters degree.

22 (4) For the purposes of this section:

- 23 (a) "BA" means a baccalaureate degree.
- 24 (b) "MA" means a masters degree.
- 25 (c) "PHD" means a doctorate degree.

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

28 (e) "Credits" means college quarter hour credits and equivalent in-
29 service credits computed in accordance with RCW 28A.415.020 and
30 28A.415.023.

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

- 36 (a) The employee has a masters degree; or

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

3 (6) The certificated instructional staff base salary specified for
4 each district in LEAP Document 2 and the salary schedules in subsection
5 (3)(a) of this section includes one learning improvement day. A school
6 district is eligible for the learning improvement day funds only if the
7 learning improvement day has been added to the 180-day contract year.
8 The additional day shall be limited to specific activities identified
9 in RCW 28A.415.360(2), related to math, science, and reading, and shall
10 not be considered part of basic education. Where appropriate, priority
11 shall be given to math and science training. The principal in each
12 school shall assure that the day is used accordingly. The school
13 principal and the district superintendent shall maintain documentation
14 as to their approval of these activities. The total hours of a
15 learning improvement day shall not be less than the length of a full
16 day under the base contract. The superintendent of public instruction
17 shall ensure that school districts adhere to the intent and purposes of
18 this subsection.

19 (7) The salary allocation schedules established in this section are
20 for allocation purposes only except as provided in RCW 28A.400.200(2)
21 and subsection (6) of this section.

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

24	General Fund--State Appropriation (FY 2010)	\$10,692,000
25	General Fund--State Appropriation (FY 2011)	\$32,409,000
26	General Fund--Federal Appropriation	\$19,000
27	TOTAL APPROPRIATION	\$43,120,000

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

30 (1) \$42,072,000 is for adjustments to insurance benefit
31 allocations. The maintenance rate for insurance benefit allocations is
32 \$732.00 per month for the 2009-10 and 2010-11 school years. The
33 appropriations in this section provide for a rate increase to \$745.00
34 per month for the 2009-10 school year and \$768.00 per month for the
35 2010-11 school year. The adjustments to health insurance benefit
36 allocations are at the following rates:

	School Year	
	2009-10	2010-11
Pupil Transportation (per weighted pupil mile)	\$0.12	\$0.33
Highly Capable (per formula student)	\$0.82	\$2.22
Transitional Bilingual Education (per eligible bilingual student)	\$2.10	\$5.83
Learning Assistance (per formula student)	\$0.54	\$1.49

(2) The rates specified in this section are subject to revision each year by the legislature.

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

General Fund--State Appropriation (FY 2010)	\$310,254,000
General Fund--State Appropriation (FY 2011)	\$310,809,000
TOTAL APPROPRIATION	\$621,063,000

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

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

(2) A maximum of \$878,000 of this fiscal year 2010 appropriation and a maximum of \$896,000 of the fiscal year 2011 appropriation may be expended for regional transportation coordinators and related activities. The transportation coordinators shall ensure that data submitted by school districts for state transportation funding shall, to the greatest extent practical, reflect the actual transportation activity of each district.

(3) \$5,000 of the fiscal year 2010 appropriation and \$5,000 of the fiscal year 2011 appropriation are provided solely for the transportation of students enrolled in "choice" programs. Transportation shall be limited to low-income students who are transferring to "choice" programs solely for educational reasons.

(4) Allocations for transportation of students shall be based on reimbursement rates of \$48.83 per weighted mile in the 2009-10 school year and \$49.11 per weighted mile in the 2010-11 school year exclusive of salary and benefit adjustments provided in section 504 of this act.

1 (3) \$59,000 of the general fund--state appropriation for fiscal
2 year 2010 and \$59,000 of the general fund--state appropriation for
3 fiscal year 2011 are provided solely to reimburse school districts for
4 school breakfasts served to students enrolled in the free or reduced
5 price meal program pursuant to chapter 287, Laws of 2005 (requiring
6 school breakfast programs in certain schools).

7 (4) \$1,588,000 of the general fund--federal appropriation of
8 American recovery and reinvestment act of 2009 (ARRA) funds is provided
9 solely for equipment assistance to school food authorities (SFAs)
10 participating in the national school lunch program (NSLP). Local SFAs
11 may apply to the office of the superintendent of public instruction to
12 receive grants in accordance with provisions of the ARRA. As
13 stipulated in the ARRA, priority will be given to SFAs for equipment
14 for schools in which at least 50 percent of the students are eligible
15 for free or reduced-priced meals.

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

18	General Fund--State Appropriation (FY 2010)	\$652,161,000
19	General Fund--State Appropriation (FY 2011)	\$666,633,000
20	General Fund--Federal Appropriation	\$656,052,000
21	Education Legacy Trust Account--State Appropriation	\$756,000
22	TOTAL APPROPRIATION	\$1,975,602,000

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

25 (1) Funding for special education programs is provided on an excess
26 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
27 that special education students as a class receive their full share of
28 the general apportionment allocation accruing through sections 502 and
29 504 of this act. To the extent a school district cannot provide an
30 appropriate education for special education students under chapter
31 28A.155 RCW through the general apportionment allocation, it shall
32 provide services through the special education excess cost allocation
33 funded in this section.

- 34 (2) The superintendent of public instruction shall ensure that:
- 35 (a) Special education students are basic education students first;
 - 36 (b) As a class, special education students are entitled to the full
37 basic education allocation;

1 (c) Special education students are basic education students for the
2 entire school day; and

3 (d) All school districts continue to use the full cost method of
4 excess cost accounting.

5 (3) Each fiscal year appropriation includes such funds as are
6 necessary to complete the school year ending in the fiscal year and for
7 prior fiscal year adjustments.

8 (4) The superintendent of public instruction shall distribute state
9 funds to school districts based on two categories: (a) The first
10 category includes (i) children birth through age two who are eligible
11 for the optional program for special education eligible developmentally
12 delayed infants and toddlers, and (ii) students eligible for the
13 mandatory special education program and who are age three or four, or
14 five and not yet enrolled in kindergarten; and (b) the second category
15 includes students who are eligible for the mandatory special education
16 program and who are age five and enrolled in kindergarten and students
17 age six through 21.

18 (5)(a) For the 2009-10 and 2010-11 school years, the superintendent
19 shall make allocations to each district based on the sum of:

20 (i) A district's annual average headcount enrollment of students
21 ages birth through four and those five year olds not yet enrolled in
22 kindergarten, as defined in subsection (4) of this section, multiplied
23 by the district's average basic education allocation per full-time
24 equivalent student, multiplied by 1.15; and

25 (ii) A district's annual average full-time equivalent basic
26 education enrollment multiplied by the funded enrollment percent
27 determined pursuant to subsection (6)(b) of this section, multiplied by
28 the district's average basic education allocation per full-time
29 equivalent student multiplied by 0.9309.

30 (b) For purposes of this subsection, "average basic education
31 allocation per full-time equivalent student" for a district shall be
32 based on the staffing ratios required by RCW 28A.150.260 and shall not
33 include enhancements, secondary vocational education, or small schools.

34 (6) The definitions in this subsection apply throughout this
35 section.

36 (a) "Annual average full-time equivalent basic education
37 enrollment" means the resident enrollment including students enrolled
38 through choice (RCW 28A.225.225) and students from nonhigh districts

1 (RCW 28A.225.210) and excluding students residing in another district
2 enrolled as part of an interdistrict cooperative program (RCW
3 28A.225.250).

4 (b) "Enrollment percent" means the district's resident special
5 education annual average enrollment, excluding the birth through age
6 four enrollment and those five year olds not yet enrolled in
7 kindergarten, as a percent of the district's annual average full-time
8 equivalent basic education enrollment.

9 Each district's general fund--state funded special education
10 enrollment shall be the lesser of the district's actual enrollment
11 percent or 12.7 percent.

12 (7) At the request of any interdistrict cooperative of at least 15
13 districts in which all excess cost services for special education
14 students of the districts are provided by the cooperative, the maximum
15 enrollment percent shall be calculated in accordance with subsection
16 (6)(b) of this section, and shall be calculated in the aggregate rather
17 than individual district units. For purposes of this subsection, the
18 average basic education allocation per full-time equivalent student
19 shall be calculated in the aggregate rather than individual district
20 units.

21 (8) To the extent necessary, \$73,668,000 of the general fund--state
22 appropriation and \$29,574,000 of the general fund--federal
23 appropriation are provided for safety net awards for districts with
24 demonstrated needs for special education funding beyond the amounts
25 provided in subsection (5) of this section. If the federal safety net
26 awards based on the federal eligibility threshold exceed the federal
27 appropriation in this subsection (8) in any fiscal year, the
28 superintendent shall expend all available federal discretionary funds
29 necessary to meet this need. Safety net funds shall be awarded by the
30 state safety net oversight committee subject to the following
31 conditions and limitations:

32 (a) The committee shall consider unmet needs for districts that can
33 convincingly demonstrate that all legitimate expenditures for special
34 education exceed all available revenues from state funding formulas.
35 In the determination of need, the committee shall also consider
36 additional available revenues from federal sources. Differences in
37 program costs attributable to district philosophy, service delivery
38 choice, or accounting practices are not a legitimate basis for safety

1 net awards. In the determination of need, the committee shall require
2 that districts demonstrate that they are maximizing their eligibility
3 for all state and federal revenues related to services for special
4 education-eligible students. Awards associated with (b) and (c) of
5 this subsection shall not exceed the total of a district's specific
6 determination of need.

7 (b) The committee shall then consider the extraordinary high cost
8 needs of one or more individual special education students.
9 Differences in costs attributable to district philosophy, service
10 delivery choice, or accounting practices are not a legitimate basis for
11 safety net awards.

12 (c) Using criteria developed by the committee, the committee shall
13 then consider extraordinary costs associated with communities that draw
14 a larger number of families with children in need of special education
15 services. The safety net awards to school districts shall be adjusted
16 to reflect amounts awarded under (b) of this subsection.

17 (d) The maximum allowable indirect cost for calculating safety net
18 eligibility may not exceed the federal restricted indirect cost rate
19 for the district plus one percent.

20 (e) Safety net awards must be adjusted for any audit findings or
21 exceptions related to special education funding.

22 (f) Safety net awards shall be adjusted based on the percent of
23 potential medicaid eligible students billed as calculated by the
24 superintendent in accordance with chapter 318, Laws of 1999. The state
25 safety net oversight committee shall ensure that safety net
26 documentation and awards are based on current medicaid revenue amounts.

27 (9) The superintendent of public instruction may adopt such rules
28 and procedures as are necessary to administer the special education
29 funding and safety net award process. Prior to revising any standards,
30 procedures, or rules, the superintendent shall consult with the office
31 of financial management and the fiscal committees of the legislature.

32 (10) The safety net oversight committee appointed by the
33 superintendent of public instruction shall consist of:

34 (a) One staff from the office of superintendent of public
35 instruction;

36 (b) Staff of the office of the state auditor who shall be nonvoting
37 members of the committee; and

1 (c) One or more representatives from school districts or
2 educational service districts knowledgeable of special education
3 programs and funding.

4 (11) The office of the superintendent of public instruction shall
5 review and streamline the application process to access safety net
6 funds, provide technical assistance to school districts, and annually
7 survey school districts regarding improvement to the process.

8 (12) A maximum of \$678,000 may be expended from the general fund--
9 state appropriations to fund 5.43 full-time equivalent teachers and 2.1
10 full-time equivalent aides at children's orthopedic hospital and
11 medical center. This amount is in lieu of money provided through the
12 home and hospital allocation and the special education program.

13 (13) A maximum of \$1,000,000 of the general fund--federal
14 appropriation is provided for projects to provide special education
15 students with appropriate job and independent living skills, including
16 work experience where possible, to facilitate their successful
17 transition out of the public school system. The funds provided by this
18 subsection shall be from federal discretionary grants.

19 (14) \$50,000 of the general fund--state appropriation for fiscal
20 year 2010, \$50,000 of the general fund--state appropriation for fiscal
21 year 2011, and \$100,000 of the general fund--federal appropriation
22 shall be expended to support a special education ombudsman program
23 within the office of superintendent of public instruction. The purpose
24 of the program is to provide support to parents, guardians, educators,
25 and students with disabilities. The program will provide information
26 to help families and educators understand state laws, rules, and
27 regulations, and access training and support, technical information
28 services, and mediation services. The ombudsman program will provide
29 data, information, and appropriate recommendations to the office of
30 superintendent of public instruction, school districts, educational
31 service districts, state need projects, and the parent and teacher
32 information center. Within the appropriations in this section there is
33 sufficient funding provided to also provide at least a half-time
34 support staff position for the special education ombudsman program.

35 (15) The superintendent shall maintain the percentage of federal
36 flow-through to school districts at 85 percent. In addition to other
37 purposes, school districts may use increased federal funds for high-

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

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

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

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

16 (5) \$329,000 of the general fund--state appropriation for fiscal
17 year 2010 and \$329,000 of the general fund--state appropriation for
18 fiscal year 2011 are provided solely to maintain at least one
19 certificated instructional staff and related support services at an
20 institution whenever the K-12 enrollment is not sufficient to support
21 one full-time equivalent certificated instructional staff to furnish
22 the educational program. The following types of institutions are
23 included: Residential programs under the department of social and
24 health services for developmentally disabled juveniles, programs for
25 juveniles under the department of corrections, and programs for
26 juveniles under the juvenile rehabilitation administration.

27 (6) Ten percent of the funds allocated for each institution may be
28 carried over from one year to the next.

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

31	General Fund--State Appropriation (FY 2010)	\$9,625,000
32	General Fund--State Appropriation (FY 2011)	\$9,682,000
33	TOTAL APPROPRIATION	\$19,307,000

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

36 (1) Each general fund fiscal year appropriation includes such funds

1 as are necessary to complete the school year ending in the fiscal year
2 and for prior fiscal year adjustments.

3 (2) Allocations for school district programs for highly capable
4 students shall be distributed at a maximum rate of \$411.81 per funded
5 student for the 2009-10 school year and \$411.81 per funded student for
6 the 2010-11 school year, exclusive of salary and benefit adjustments
7 pursuant to section 504 of this act. The number of funded students
8 shall be a maximum of 2.314 percent of each district's full-time
9 equivalent basic education enrollment.

10 (3) \$170,000 of the fiscal year 2010 appropriation and \$170,000 of
11 the fiscal year 2011 appropriation are provided for the centrum program
12 at Fort Worden state park.

13 (4) \$90,000 of the fiscal year 2010 appropriation and \$90,000 of
14 the fiscal year 2011 appropriation are provided for the Washington
15 destination imagination network and future problem-solving programs.

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

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

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

22 General Fund--State Appropriation (FY 2010) \$95,247,000
23 General Fund--State Appropriation (FY 2011) \$104,651,000
24 General Fund--Federal Appropriation \$152,626,000
25 Education Legacy Trust Account--State Appropriation \$90,744,000
26 TOTAL APPROPRIATION \$443,268,000

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

29 (1) \$37,406,000 of the general fund--state appropriation for fiscal
30 year 2010, \$35,403,000 of the general fund--state appropriation for
31 fiscal year 2011, \$1,063,000 of the education legacy trust
32 account--state appropriation, and \$15,868,000 of the general fund--
33 federal appropriation are provided solely for development and
34 implementation of the Washington assessments of student learning
35 (WASL), including: (i) Development and implementation of retake
36 assessments for high school students who are not successful in one or

1 more content areas of the WASL; and (ii) development and implementation
2 of alternative assessments or appeals procedures to implement the
3 certificate of academic achievement. The superintendent of public
4 instruction shall report quarterly on the progress on development and
5 implementation of alternative assessments or appeals procedures.
6 Within these amounts, the superintendent of public instruction shall
7 contract for the early return of 10th grade student WASL results, on or
8 around June 10th of each year.

9 (2) \$3,249,000 of the general fund--state appropriation for fiscal
10 year 2010 and \$3,249,000 of the general fund--state appropriation for
11 fiscal year 2011 are provided solely for end-of-course tests in math.

12 (3) \$70,000 of the general fund--state appropriation for fiscal
13 year 2010 and \$70,000 of the general fund--state appropriation for
14 fiscal year 2011 are provided solely for the second grade assessments.

15 (4) \$139,000 of the general fund--state appropriation for fiscal
16 year 2010 and \$139,000 of the general fund--state appropriation for
17 fiscal year 2011 are provided solely for (a) staff at the office of the
18 superintendent of public instruction to coordinate and promote efforts
19 to develop integrated math, science, technology, and engineering
20 programs in schools and districts across the state; and (b) grants of
21 \$2,500 to provide twenty middle and high school teachers each year
22 professional development training for implementing integrated math,
23 science, technology, and engineering program in their schools.

24 (5) \$1,079,000 of the general fund--state appropriation for fiscal
25 year 2010 and \$1,079,000 of the general fund--state appropriation for
26 fiscal year 2011 are provided solely for the Washington state
27 leadership assistance for science education reform (LASER) regional
28 partnership coordinated at the Pacific science center.

29 (6) \$81,030,000 of the education legacy trust account--state
30 appropriation is provided solely for grants for voluntary full-day
31 kindergarten at the highest poverty schools. The office of the
32 superintendent of public instruction shall provide allocations to
33 districts for recipient schools in accordance with the funding formulas
34 provided in section 502 of this act. Each kindergarten student who
35 enrolls for the voluntary full-day program in a recipient school shall
36 count as one-half of one full-time equivalent student for the purpose
37 of making allocations under this subsection. Although the allocations
38 are formula-driven, the office of the superintendent shall consider the

1 funding provided in this subsection as a fixed amount, and shall limit
2 the number of recipient schools so as to stay within the amounts
3 appropriated each fiscal year in this subsection. The funding provided
4 in this subsection is estimated to provide full-day kindergarten
5 programs for 20 percent of kindergarten enrollment in the 2009-10
6 school year and 20 percent of kindergarten enrollment in the 2010-11
7 school year. Funding priority shall be given to schools with the
8 highest poverty levels, as measured by prior year free and reduced
9 priced lunch eligibility rates in each school. Additionally, as a
10 condition of funding, school districts must agree to provide the
11 full-day program to the children of parents who request it in each
12 eligible school. For the purposes of calculating a school district
13 levy base, funding provided in this subsection shall be considered a
14 state block grant program under RCW 84.52.0531.

15 (a) Of the amounts provided in this subsection, a maximum of
16 \$272,000 may be used for administrative support of the full-day
17 kindergarten program within the office of the superintendent of public
18 instruction.

19 (b) Student enrollment pursuant to this program shall not be
20 included in the determination of a school district's overall K-12 FTE
21 for the allocation of student achievement programs and other funding
22 formulas unless specifically stated.

23 (7) \$700,000 of the general fund--state appropriation for fiscal
24 year 2010 and \$700,000 of the general fund--state appropriation for
25 fiscal year 2011 are provided solely for a leadership academy for
26 school principals and administrators. The superintendent of public
27 instruction shall contract with an independent organization to
28 implement a state-of-the-art education leadership academy that will be
29 accessible throughout the state. Semiannually the independent
30 organization shall report on amounts committed by foundations and
31 others to support the development and implementation of this program.
32 Leadership academy partners, with varying roles, shall include the
33 state level organizations for school administrators and principals, the
34 superintendent of public instruction, the professional educator
35 standards board, and others as the independent organization shall
36 identify.

37 (8) \$105,754,000 of the general fund--federal appropriation is

1 provided for preparing, training, and recruiting high quality teachers
2 and principals under Title II of the no child left behind act.

3 (9) \$4,046,000 of the general fund--state appropriation for fiscal
4 year 2010 and \$4,046,000 of the general fund--state appropriation for
5 fiscal year 2011 are provided solely to the office of the
6 superintendent of public instruction for focused assistance. The
7 office of the superintendent of public instruction shall conduct
8 educational audits of low-performing schools and enter into performance
9 agreements between school districts and the office to implement the
10 recommendations of the audit and the community. Each educational audit
11 shall include recommendations for best practices and ways to address
12 identified needs and shall be presented to the community in a public
13 meeting to seek input on ways to implement the audit and its
14 recommendations.

15 (10) \$30,702,000 of the general fund--federal appropriation is
16 provided for the reading first program under Title I of the no child
17 left behind act.

18 (11) \$1,667,000 of the general fund--state appropriation for fiscal
19 year 2010 and \$1,667,000 of the general fund--state appropriation for
20 fiscal year 2011 are provided solely to eliminate the lunch co-pay for
21 students in grades kindergarten through third grade that are eligible
22 for reduced price lunch.

23 (12) \$5,285,000 of the general fund--state appropriation for fiscal
24 year 2010 and \$5,285,000 of the general fund--state appropriation for
25 fiscal year 2011 are provided solely for: (a) The meals for kids
26 program under RCW 28A.235.145 through 28A.235.155; (b) to eliminate the
27 breakfast co-pay for students eligible for reduced price lunch; and (c)
28 for additional assistance for school districts initiating a summer food
29 service program.

30 (13)(a) \$28,021,000 of the general fund--state appropriation for
31 fiscal year 2010 and \$38,417,000 of the general fund--state
32 appropriation for fiscal year 2011 are provided solely for the
33 following bonuses for teachers who hold valid, unexpired certification
34 from the national board for professional teaching standards and who are
35 teaching in a Washington public school, subject to the following
36 conditions and limitations:

37 (i) For national board certified teachers, a bonus of \$5,319 per
38 teacher for fiscal year 2010, and \$5,325 for fiscal year 2011.

1 National board certified teachers who become public school principals
2 shall continue to receive this bonus for as long as they are principals
3 and maintain the national board certification;

4 (ii) An additional \$5,000 annual bonus shall be paid to national
5 board certified teachers who teach in either: (A) High schools where
6 at least 50 percent of student headcount enrollment is eligible for
7 federal free or reduced price lunch, (B) middle schools where at least
8 60 percent of student headcount enrollment is eligible for federal free
9 or reduced price lunch, or (C) elementary schools where at least 70
10 percent of student headcount enrollment is eligible for federal free or
11 reduced price lunch; and

12 (b) Included in the amounts provided in this subsection are amounts
13 for mandatory fringe benefits.

14 (14) \$1,133,000 of the general fund--state appropriation for fiscal
15 year 2010 and \$1,133,000 of the general fund--state appropriation for
16 fiscal year 2011 are provided solely to allow approved middle and
17 junior high school career and technical education programs to receive
18 enhanced vocational funding. The office of the superintendent of
19 public instruction shall provide grants to districts for middle and
20 junior high school students in accordance with the funding formulas
21 provided in section 502 of this act.

22 (15) \$2,750,000 of the general fund--state appropriation for fiscal
23 year 2010 and \$2,750,000 of the general fund--state appropriation for
24 fiscal year 2011 are provided solely for secondary career and technical
25 education grants pursuant to chapter 170, Laws of 2008.

26 (16) \$70,000 of the general fund--state appropriation for fiscal
27 year 2010 is provided solely for implementation of Engrossed Substitute
28 Senate Bill No. 5414 (relating to statewide assessments and curricula).
29 If the bill is not enacted by June 30, 2009, the amounts provided in
30 this subsection shall lapse.

31 (17) \$42,000 of the general fund--state appropriation for fiscal
32 year 2010 and \$38,000 of the general fund--state appropriation for
33 fiscal year 2011 are provided solely for implementation of Engrossed
34 Senate Bill No. 5714 (relating to conditional funding for teachers to
35 pursue national board for professional teaching standards
36 certification). If the bill is not enacted by June 30, 2009, the
37 amounts provided in this subsection shall lapse.

1 (18) The appropriations in this section are based upon savings
2 assumed from the implementation of Senate Bill No. 5498 (relating to
3 graduation without a certificate of academic achievement or a
4 certificate of individual achievement).

5 (19) \$3,594,000 of the general fund--state appropriation for fiscal
6 year 2010 and \$3,594,000 of the general fund--state appropriation for
7 fiscal year 2011 are provided solely for readiness to learn.

8 (20) \$1,056,000 of the general fund--state appropriation for fiscal
9 year 2010 and \$1,056,000 of the general fund--state appropriation for
10 fiscal year 2011 are provided solely for reading corps.

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

13	General Fund--State Appropriation (FY 2010)	\$79,997,000
14	General Fund--State Appropriation (FY 2011)	\$83,521,000
15	General Fund--Federal Appropriation	\$45,263,000
16	TOTAL APPROPRIATION	\$208,781,000

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

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

22 (2) The superintendent shall distribute a maximum of \$930.26 per
23 eligible bilingual student in the 2009-10 school year and \$930.26 in
24 the 2010-11 school year, exclusive of salary and benefit adjustments
25 provided in section 504 of this act.

26 (3) The superintendent may withhold up to 1.5 percent of the school
27 year allocations to school districts in subsection (2) of this section,
28 and adjust the per eligible pupil rates in subsection (2) of this
29 section accordingly, solely for the central provision of assessments as
30 provided in RCW 28A.180.090 (1) and (2).

31 (4) \$70,000 of the amounts appropriated in this section are
32 provided solely to track current and former transitional bilingual
33 program students.

34 (5) The general fund--federal appropriation in this section is
35 provided for migrant education under Title I Part C and English
36 language acquisition, and language enhancement grants under Title III
37 of the elementary and secondary education act.

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

3	General Fund--State Appropriation (FY 2010)	\$103,808,000
4	General Fund--State Appropriation (FY 2011)	\$105,704,000
5	General Fund--Federal Appropriation	\$543,925,000
6	Education Legacy Trust Account--State Appropriation	\$47,980,000
7	TOTAL APPROPRIATION	\$801,417,000

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

10 (1) The general fund--state appropriations in this section are
11 subject to the following conditions and limitations:

12 (a) The appropriations include such funds as are necessary to
13 complete the school year ending in the fiscal year and for prior fiscal
14 year adjustments.

15 (b) Funding for school district learning assistance programs shall
16 be allocated at maximum rates of \$289.56 per funded student for the
17 2009-10 school year and \$290.55 per funded student for the 2010-11
18 school year exclusive of salary and benefit adjustments provided under
19 section 504 of this act.

20 (c) A school district's funded students for the learning assistance
21 program shall be the sum of the following as appropriate:

22 (i) The district's full-time equivalent enrollment in grades K-12
23 for the prior school year multiplied by the district's percentage of
24 October headcount enrollment in grades K-12 eligible for free or
25 reduced price lunch in the prior school year; and

26 (ii) If, in the prior school year, the district's percentage of
27 October headcount enrollment in grades K-12 eligible for free or
28 reduced price lunch exceeded forty percent, subtract forty percent from
29 the district's percentage and multiply the result by the district's K-
30 12 annual average full-time equivalent enrollment for the prior school
31 year.

32 (d) Within amounts appropriated in this section, funding is
33 provided for an additional amount to be allocated to school districts
34 with high concentrations of poverty and English language learner
35 students pursuant to chapter 328, Laws of 2008.

36 (2) \$365,019,000 of the general fund--federal appropriation in this
37 section is provided for Title I Part A allocations of the no child left
38 behind act of 2001.

1 (3) \$51,970,000 of the general fund--federal appropriation for
2 fiscal year 2010 and \$77,955,000 of the general fund--federal
3 appropriation for fiscal year 2011 of American recovery and
4 reinvestment act of 2009 (ARRA) Title I, Part A funds are in addition
5 to regular Title I, Part A allocations solely for allocation to
6 eligible school districts in accordance with the guidelines of ARRA.

7 (4) \$48,981,000 of the general fund--federal appropriation from the
8 American recovery and reinvestment act of 2009 (ARRA) is for school
9 improvement. This consists of 4 percent, or \$5,413,000, of the Title
10 I Part A recovery funds which must be set aside for school improvement
11 as well as \$43,568,000 in additional school improvement funds. At
12 least \$8,092,000 of the ARRA school improvement funds shall be used to
13 enhance the state's focused assistance program.

14 (5) Small school districts are encouraged to make the most
15 efficient use of the funding provided by using regional educational
16 service district cooperatives to hire staff, provide professional
17 development activities, and implement reading and mathematics programs
18 consistent with research-based guidelines provided by the office of the
19 superintendent of public instruction.

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

24 (7) School districts are encouraged to coordinate the use of these
25 funds with other federal, state, and local sources to serve students
26 who are below grade level and to make efficient use of resources in
27 meeting the needs of students with the greatest academic deficits.

28 (8) Within amounts appropriated in this section, funding is
29 provided for the extended learning program to provide additional
30 instructional services for eligible students in grades eight, eleven,
31 and twelve during the regular school day, evenings, on weekends, or at
32 other times in order to meet the needs of these students pursuant to
33 chapter 328, Laws of 2008.

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

36	General Fund--State Appropriation (FY 2010)	\$47,624,000
37	General Fund--State Appropriation (FY 2011)	\$30,741,000

1 General Fund--Federal Appropriation \$74,253,000
2 TOTAL APPROPRIATION \$152,618,000

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

5 (1) Funding for school district student achievement programs shall
6 be allocated at a maximum rate of \$31.20 per FTE student for the 2009-
7 10 school year and \$31.20 per FTE student for the 2010-11 school year.
8 For the purposes of this section, FTE student refers to the annual
9 average full-time equivalent enrollment of the school district in
10 grades kindergarten through twelve for the prior school year, as
11 reported to the office of the superintendent of public instruction by
12 August 31st of the previous school year.

13 (2) \$74,253,000 of the general fund--federal appropriation from the
14 American recovery and reinvestment act of 2009 fiscal stabilization
15 funds is to be used solely to fund the state fiscal year 2010 costs of
16 school year 2008-09 student achievement fund commitments.

17 NEW SECTION. **Sec. 517. K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR**
18 **ADJUSTMENTS.** State general fund and state student achievement fund
19 appropriations provided to the superintendent of public instruction for
20 state entitlement programs in the public schools in this part V of this
21 act may be expended as needed by the superintendent for adjustments to
22 apportionment for prior fiscal periods. Recoveries of state general
23 fund moneys from school districts and educational service districts for
24 a prior fiscal period shall be made as reductions in apportionment
25 payments for the current fiscal period and shall be shown as prior year
26 adjustments on apportionment reports for the current period. Such
27 recoveries shall not be treated as revenues to the state, but as a
28 reduction in the amount expended against the appropriation for the
29 current fiscal period.

30 NEW SECTION. **Sec. 518. FOR THE SUPERINTENDENT OF PUBLIC**
31 **INSTRUCTION.** Appropriations made in this act to the office of
32 superintendent of public instruction shall be allotted initially as
33 required by this act. Subsequent allotment modifications shall not
34 include transfers of moneys between sections of this act.

(End of part)

PART VI
HIGHER EDUCATION

1
2
3 NEW SECTION. **Sec. 601.** The appropriations in sections 605
4 through 611 of this act are subject to the following conditions and
5 limitations:

6 (1) "Institutions" means the institutions of higher education
7 receiving appropriations under sections 605 through 611 of this act.

8 (2) The legislature, the office of financial management, and other
9 state agencies need consistent and accurate personnel data from
10 institutions of higher education for policy planning purposes.
11 Institutions of higher education shall report personnel data to the
12 department of personnel for inclusion in the department's data
13 warehouse. Uniform reporting procedures shall be established by the
14 department of personnel for use by the reporting institutions,
15 including provisions for common job classifications and common
16 definitions of full-time equivalent staff. Annual contract amounts,
17 number of contract months, and funding sources shall be consistently
18 reported for employees under contract.

19 (3) In addition to waivers granted under the authority of RCW
20 28B.15.910, the governing boards and the state board may waive all or
21 a portion of operating fees for any student. State general fund
22 appropriations shall not be provided to replace tuition and fee revenue
23 foregone as a result of waivers granted under this subsection.

24 (4) The colleges of education for institutions with appropriations
25 in sections 606 through 611 shall develop a plan, by October 30, 2009,
26 to increase the number of math and science teacher endorsements and
27 certificates granted by the institution. The plan shall address the
28 college's math and science teacher endorsement and certification
29 completion goal for each of the next six years, beginning with the
30 2010-2011 academic year, and shall be reported to the governor, the
31 relevant policy committees of the legislature, the higher education
32 coordinating board (HECB) and the professional educator standards board
33 (PESB). Plan components may address: Student advising practices,
34 increase outreach and recruitment efforts to under-represented
35 populations, linkages with university mathematics and science
36 departments, and implementation of redesigned, innovative endorsement

1 and certification programs. To accomplish this work, enrollments may
2 need to be shifted from low-need endorsement and certificate areas to
3 math and science. A report shall be made each October 30th to the HECB
4 and PESB regarding the degree to which plan goals have been met and
5 activities undertaken to support those outcomes.

6 (5) Any salary increase provided by an institution of higher
7 education from nonstate sources shall not be included in the base used
8 to calculate future state-funded compensation adjustments.

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

- 24 (a) Student enrollment levels, by campus;
- 25 (b) Baccalaureate and advanced degree production;
- 26 (c) Baccalaureate and advanced degree production in high employer-
27 demand fields;
- 28 (d) Undergraduate retention and graduation rates;
- 29 (e) Time-to-degree for students entering as freshmen, and as upper-
30 division transfers;
- 31 (f) Efficiency to degree; and
- 32 (g) Capital investment as required to (i) maintain existing
33 capacity, and (ii) meet enrollment targets in accordance with the
34 master plan as adopted by the legislature.

35 Each institution shall report progress toward its performance targets
36 during the preceding academic year to the state performance agreement
37 committee prior to November 1, 2010. The higher education coordinating

1 board shall consolidate and summarize the institutional reports, and
2 provide them to the relevant policy and fiscal committees of the
3 legislature by December 1, 2010.

4 (7) To facilitate transparency and compliance with the American
5 recovery and reinvestment act, the institutions of higher education
6 receiving state and federal appropriations under sections 605 through
7 611 of this act shall allot anticipated state, federal, and tuition
8 expenditures by budget program and fiscal year. The office of
9 financial management shall notify the legislative ways and means
10 committees of the proposed allotments at least ten days prior to their
11 approval.

12 (8) To the extent permitted by the applicable personnel system
13 rules, and to the extent collectively bargained with represented
14 employees, institutions of higher education are encouraged to achieve
15 the reductions in full-time-equivalent employment and payroll levels
16 necessary to operate within this budget through strategies that will
17 minimize impacts on employees, their families, their communities, and
18 short- and longer-term accomplishment of institutional mission.
19 Institutions are encouraged to utilize strategies such as reduced work-
20 hours per day or week, voluntary leave without pay, and temporary
21 furloughs that enable employees to maintain permanent employment
22 status. Institutions are further encouraged to implement such
23 strategies in ways that will enable employees to maintain full
24 insurance benefits, full retirement service credit, and a living wage.

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

29

	2009-10	2010-11
	Annual Average	Annual Average
30 University of Washington	37,021	37,021
31 Washington State University	22,250	22,250
32 Central Washington University	8,507	8,507
33 Eastern Washington University	8,656	8,656

1	The Evergreen State College	4,213	4,213
2	Western Washington University	11,284	11,284
3	State Board for Community &	140,237	139,237
4	Technical Colleges		

5 (2) In achieving or exceeding these enrollment targets, each
6 institution shall seek to:

7 (a) Maintain and to the extent possible increase enrollment
8 opportunities at branch campuses;

9 (b) Maintain and to the extent possible increase enrollment
10 opportunities at university centers and other partnership programs that
11 enable students to earn baccalaureate degrees on community college
12 campuses; and

13 (c) Eliminate and consolidate programs of study for which there is
14 limited student or employer demand, or that are not areas of core
15 academic strength for the institution, particularly when such programs
16 duplicate offerings by other in-state institutions.

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

20 (4) For purposes of monitoring and reporting statewide enrollment,
21 the University of Washington and Washington State University shall
22 notify the office of financial management of the number of full-time
23 student equivalent enrollments budgeted for each of their campuses.

24 NEW SECTION. **Sec. 603. PUBLIC BACCALAUREATE INSTITUTIONS.** In
25 order to operate within the state funds appropriated in this act, the
26 governing boards of the state research universities, the state regional
27 universities, and The Evergreen State College are authorized to adopt
28 and adjust tuition and fees for the 2009-10 and 2010-11 academic years
29 as provided in this section:

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

34 (2) Each governing board is authorized to increase tuition charges
35 to graduate and professional students, and to nonresident undergraduate

1 students, by amounts judged reasonable and necessary by the governing
2 board.

3 (3) Each governing board is authorized to increase summer quarter
4 or semester tuition fees for resident and nonresident undergraduate,
5 graduate, and professional students pursuant to RCW 28B.15.067.

6 (4) Each governing board is authorized to adopt or increase charges
7 for fee-based, self-sustaining degree programs, credit courses,
8 noncredit workshops and courses, and special contract courses by
9 amounts judged reasonable and necessary by the governing board.

10 (5) Each governing board is authorized to adopt or increase
11 services and activities fees for all categories of students as provided
12 in RCW 28B.15.069.

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

15 (7) Each governing board is authorized to adopt or increase special
16 course and lab fees, and health and counseling fees, to the extent
17 necessary to cover the reasonable and necessary exceptional cost of the
18 course or service.

19 (8) Each governing board is authorized to adopt or increase
20 administrative fees such as but not limited to those charged for
21 application, matriculation, special testing, and transcripts by amounts
22 judged reasonable and necessary by the governing board.

23 **NEW SECTION. Sec. 604. STATE BOARD FOR COMMUNITY AND TECHNICAL**
24 **COLLEGES.** In order to operate within the state funds appropriated in
25 this act, the state board for community and technical colleges and the
26 trustees of the state's community and technical colleges are authorized
27 to adopt and adjust tuition and fees for the 2009-10 and 2010-11
28 academic years as provided in this section:

29 (1) The state board may increase the tuition fees charged to
30 resident undergraduate students by no more than five percent over the
31 amounts charged to resident undergraduates during the prior academic
32 year. The board may increase tuition fees under this subsection
33 differentially based on student credit hour load, provided that the
34 overall increase in average tuition revenue per student does not exceed
35 five percent each year.

36 (2) The state board may increase the tuition fees charged to

1 resident undergraduates enrolled in upper division applied
2 baccalaureate programs by no more than seven percent over the amounts
3 charged during the prior academic year.

4 (3) The state board may increase the tuition fees charged to
5 nonresident students by amounts judged reasonable and necessary by the
6 board, but by no less than the percentage by which resident
7 undergraduate tuition is increased.

8 (4) The trustees of the technical colleges are authorized to either
9 (a) increase operating fees by no more than the percentage increases
10 authorized for community colleges by the state board; or (b) fully
11 adopt the tuition fee charge schedule adopted by the state board for
12 community colleges.

13 (5) For the 2009-10 academic year, the trustees of the technical
14 colleges are authorized to increase building fees by four cents per
15 clock hour and by sixty-two cents per credit hour. For the 2010-11
16 academic year, the trustees are authorized to increase building fees by
17 four cents per clock hour and by sixty-nine cents per credit hour. The
18 purpose of these increases is to progress toward parity with the
19 building fees charged students attending the community colleges.

20 (6) The state board is authorized to increase the maximum allowable
21 services and activities fee as provided in RCW 28B.15.096. The
22 trustees of the community and technical colleges are authorized to
23 increase services and activities fees up to the maximum level
24 authorized by the state board.

25 (7) The trustees of the community and technical colleges are
26 authorized to adopt or increase charges for fee-based, self-sustaining
27 programs such as summer session, international student contracts, and
28 special contract courses by amounts judged reasonable and necessary by
29 the trustees.

30 (8) The trustees of the community and technical colleges are
31 authorized to adopt or increase special course and lab fees to the
32 extent necessary to cover the reasonable and necessary exceptional cost
33 of the course or service.

34 (9) The trustees of the community and technical colleges are
35 authorized to adopt or increase administrative fees such as but not
36 limited to those charged for application, matriculation, special
37 testing, and transcripts by amounts judged reasonable and necessary by
38 the trustees.

1 (5) Within the board's 2009-11 biennial budget allocation to
2 Bellevue Community College, and pursuant to RCW 28B.50.810, the college
3 may implement an additional applied baccalaureate degree in interior
4 design. This program is intended to provide students with additional
5 opportunities to earn baccalaureate degrees and to respond to emerging
6 job and economic growth opportunities. The program reviews and
7 approval decisions required by RCW 28B.50.810 (3) and (4) shall be
8 completed by July 31, 2009, so that the degree may be offered during
9 the 2009-10 academic year.

10 (6) In accordance with the recommendations of the higher education
11 coordinating board's 2008 *Kitsap region higher education center study*,
12 the state board shall facilitate development of university centers by
13 allocating thirty 2-year and 4-year partnership full-time enrollment
14 equivalencies to Olympic College. The college shall use the allocation
15 to establish a partnership with a baccalaureate university or
16 universities for delivery of upper division degree programs in the
17 Kitsap region. The Olympic and Peninsula Community College districts
18 shall additionally work together to ensure coordinated development of
19 these and other future baccalaureate opportunities through coordinated
20 needs assessment, planning, and scheduling.

21 (7) By September 1, 2009, the state board for community and
22 technical colleges, the higher education coordinating board, and the
23 office of financial management shall review and to the extent necessary
24 revise current 2009-11 performance targets based on the level of state,
25 tuition, and other resources appropriated or authorized in this act and
26 in the omnibus 2009-11 omnibus capital budget act. The current targets
27 for the 2010-11 academic year include:

28 (a) Increase the number of students who are prepared to transfer to
29 baccalaureate institutions to 19,400;

30 (b) Increase the number of students who earn professional or
31 technical certificates or degrees or who achieve industry skill
32 standards to 25,500;

33 (c) Increase the number of basic skills students who demonstrate
34 substantive skill gain to 23,800;

35 (d) Increase the percentage of students who have demonstrated an
36 intent to achieve an academic degree who have either transferred to a
37 four-year institution within three years, or who are continuing to
38 pursue academic studies at a community college.

1 The boards and the office of financial management shall additionally
2 develop new performance targets for the 2011-13 and the 2013-15 biennia
3 that will guide and measure the community and technical college
4 system's contributions to achievement of the state's higher education
5 master plan goals.

6 NEW SECTION. **Sec. 606. FOR THE UNIVERSITY OF WASHINGTON**

7	General Fund--State Appropriation (FY 2010)	\$282,448,000
8	General Fund--State Appropriation (FY 2011)	\$308,357,000
9	General Fund--Federal Appropriation	\$24,730,000
10	Education Legacy Trust Account--State Appropriation	\$54,333,000
11	Accident Account--State Appropriation	\$6,713,000
12	Medical Aid Account--State Appropriation	\$6,519,000
13	Biotoxin Account--State Appropriation	\$450,000
14	TOTAL APPROPRIATION	\$683,550,000

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

17 (1) In implementing the appropriations in this section, the
18 president and regents shall seek to minimize impacts on student
19 services and instructional programs by maximizing reductions in
20 administration and other non-instructional activities.

21 (2) Because higher education is an essential driver of economic
22 recovery and development, the university shall maintain, and endeavor
23 to increase, enrollment and degree production levels at or beyond their
24 academic year 2008-09 levels in the following high-demand fields:
25 Biological and biomedical sciences; computer and information sciences;
26 education with specializations in special education, math, or science;
27 engineering and engineering technology; health professions and related
28 clinical sciences; and mathematics and statistics.

29 (3) \$75,000 of the general fund--state appropriation for fiscal
30 year 2010 and \$75,000 of the general fund--state appropriation for
31 fiscal year 2011 are provided solely for forestry research by the
32 Olympic natural resources center.

33 NEW SECTION. **Sec. 607. FOR WASHINGTON STATE UNIVERSITY**

34	General Fund--State Appropriation (FY 2010)	\$183,188,000
35	General Fund--State Appropriation (FY 2011)	\$199,666,000
36	General Fund--Federal Appropriation	\$15,772,000

1 Education Legacy Trust Account--State Appropriation \$34,700,000
2 TOTAL APPROPRIATION \$433,326,000

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

5 (1) In implementing the appropriations in this section, the
6 president and regents shall seek to minimize impacts on student
7 services and instructional programs by maximizing reductions in
8 administration and other non-instructional activities.

9 (2) Because higher education is an essential driver of economic
10 recovery and development, the university shall maintain, and endeavor
11 to increase, enrollment and degree production levels at or beyond their
12 academic year 2008-09 levels in the following high-demand fields:
13 Biological and biomedical sciences; computer and information sciences;
14 education with specializations in special education, math, or science;
15 engineering and engineering technology; health professions and related
16 clinical sciences; and mathematics and statistics.

17 **NEW SECTION. Sec. 608. FOR EASTERN WASHINGTON UNIVERSITY**

18 General Fund--State Appropriation (FY 2010) \$36,868,000
19 General Fund--State Appropriation (FY 2011) \$42,704,000
20 General Fund--Federal Appropriation \$5,522,000
21 Education Legacy Trust Account--State Appropriation \$16,087,000
22 TOTAL APPROPRIATION \$101,181,000

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

25 (1) In implementing the appropriations in this section, the
26 president and governing board shall seek to minimize impacts on student
27 services and instructional programs by maximizing reductions in
28 administration and other non-instructional activities.

29 (2) Because higher education is an essential driver of economic
30 recovery and development, the university shall maintain, and endeavor
31 to increase, enrollment and degree production levels at or beyond their
32 academic year 2008-09 levels in the following high-demand fields:
33 Biological and biomedical sciences; computer and information sciences;
34 education with specializations in special education, math, or science;
35 engineering and engineering technology; health professions and related
36 clinical sciences; and mathematics and statistics.

1 (3) At least \$200,000 of the general fund--state appropriation for
2 fiscal year 2010 and at least \$200,000 of the general fund--state
3 appropriation for fiscal year 2011 shall be expended on the northwest
4 autism center.

5 NEW SECTION. **Sec. 609. FOR CENTRAL WASHINGTON UNIVERSITY**

6	General Fund--State Appropriation (FY 2010)	\$34,236,000
7	General Fund--State Appropriation (FY 2011)	\$41,225,000
8	General Fund--Federal Appropriation	\$6,975,000
9	Education Legacy Trust Account--State Appropriation	\$19,076,000
10	TOTAL APPROPRIATION	\$101,512,000

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

13 (1) In implementing the appropriations in this section, the
14 president and governing board shall seek to minimize impacts on student
15 services and instructional programs by maximizing reductions in
16 administration and other non-instructional activities.

17 (2) Because higher education is an essential driver of economic
18 recovery and development, the university shall maintain, and endeavor
19 to increase, enrollment and degree production levels at or beyond their
20 academic year 2008-09 levels in the following high-demand fields:
21 Biological and biomedical sciences; computer and information sciences;
22 education with specializations in special education, math, or science;
23 engineering and engineering technology; health professions and related
24 clinical sciences; and mathematics and statistics.

25 NEW SECTION. **Sec. 610. FOR THE EVERGREEN STATE COLLEGE**

26	General Fund--State Appropriation (FY 2010)	\$22,404,000
27	General Fund--State Appropriation (FY 2011)	\$22,179,000
28	General Fund--Federal Appropriation	\$2,366,000
29	Education Legacy Trust Account--State Appropriation	\$5,450,000
30	TOTAL APPROPRIATION	\$52,399,000

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

33 (1) In implementing the appropriations in this section, the
34 president and governing board shall seek to minimize impacts on student
35 services and instructional programs by maximizing reductions in
36 administration and other non-instructional activities.

1 (2) Because higher education is an essential driver of economic
2 recovery and development, the college shall maintain, and endeavor to
3 increase, enrollment and degree production levels at or beyond their
4 academic year 2008-09 levels in the following high-demand fields:
5 Biological and biomedical sciences; computer and information sciences;
6 education with specializations in special education, math, or science;
7 engineering and engineering technology; health professions and related
8 clinical sciences; and mathematics and statistics.

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

13 (4) \$100,000 of the general fund--state appropriation for fiscal
14 year 2010 and \$100,000 of the general fund--state appropriation for
15 fiscal year 2011 are provided solely for the Washington state institute
16 for public policy to report to the legislature regarding efficient and
17 effective programs and policies. The report shall calculate the return
18 on investment to taxpayers from evidence-based prevention and
19 intervention programs and policies that influence crime, K-12 education
20 outcomes, child maltreatment, substance abuse, mental health, public
21 health, public assistance, employment, and housing. The institute for
22 public policy shall provide the legislature with a comprehensive list
23 of programs and policies that improve these outcomes for children and
24 adults in Washington and result in more cost-efficient use of public
25 resources. The institute shall submit interim reports by December 15,
26 2009, and October 1, 2010, and a final report by June 30, 2011. The
27 institute may receive additional funds from a private organization for
28 the purpose of conducting this study.

29 (5) To the extent federal or private funding is available for this
30 purpose, the Washington state institute for public policy and the
31 center for reinventing public education at the University of Washington
32 shall examine the relationship between participation in pension systems
33 and teacher quality and mobility patterns in the state. The department
34 of retirement systems shall facilitate researchers' access to necessary
35 individual-level data necessary to effectively conduct the study. The
36 researchers shall ensure that no individually identifiable information
37 will be disclosed at any time. An interim report on project findings

1 shall be completed by November 15, 2010, and a final report shall be
2 submitted to the governor and to the relevant committees of the
3 legislature by October 15, 2011.

4 **NEW SECTION. Sec. 611. FOR WESTERN WASHINGTON UNIVERSITY**

5	General Fund--State Appropriation (FY 2010)	\$46,089,000
6	General Fund--State Appropriation (FY 2011)	\$55,318,000
7	General Fund--Federal Appropriation	\$8,885,000
8	Education Legacy Trust Account--State Appropriation	\$13,036,000
9	TOTAL APPROPRIATION	\$123,328,000

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

12 (1) In implementing the appropriations in this section, the
13 president and governing board shall seek to minimize impacts on student
14 services and instructional programs by maximizing reductions in
15 administration and other non-instructional activities.

16 (2) Because higher education is an essential driver of economic
17 recovery and development, the university shall maintain, and endeavor
18 to increase, enrollment and degree production levels at or beyond their
19 academic year 2008-09 levels in the following high-demand fields:
20 Biological and biomedical sciences; computer and information sciences;
21 education with specializations in special education, math, or science;
22 engineering and engineering technology; health professions and related
23 clinical sciences; and mathematics and statistics.

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

26	General Fund--State Appropriation (FY 2010)	\$6,009,000
27	General Fund--State Appropriation (FY 2011)	\$5,878,000
28	General Fund--Federal Appropriation	\$4,361,000
29	TOTAL APPROPRIATION	\$16,248,000

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

32 (1) Within the funds appropriated in this section, the higher
33 education coordinating board shall complete a system design planning
34 project that defines how the current higher education delivery system
35 can be shaped and expanded over the next ten years to best meet the
36 needs of Washington citizens and businesses for high quality and

1 accessible post-secondary education. The board shall propose policies
2 and specific, fiscally feasible implementation recommendations to
3 accomplish the goals established in the *2008 strategic master plan for*
4 *higher education*. The project shall specifically address the roles,
5 missions, and instructional delivery systems both of the existing and
6 of proposed new components of the higher education system; the extent
7 to which specific academic programs should be expanded, consolidated,
8 or discontinued and how that would be accomplished; the utilization of
9 innovative instructional delivery systems and pedagogies to reach both
10 traditional and nontraditional students; and opportunities to
11 consolidate institutional administrative functions. The study
12 recommendations shall also address the proposed location, role,
13 mission, academic program, and governance of any recommended new
14 campus, institution, or university center. During the planning
15 process, the board shall inform and actively involve the chairs from
16 the senate and house of representatives committees on higher education,
17 or their designees. The board shall report the findings and
18 recommendations of this system design planning project to the governor
19 and the appropriate committees of the legislature by December 1, 2009.

20 (2) The higher education coordinating board, in coordination with
21 the research and regional colleges and universities, shall review
22 options and make recommendations with regard to providing further
23 flexibility and differentiation within Washington's current "flat rate"
24 public baccalaureate tuition system. Options to be examined include
25 higher tuition coupled with higher institutional need-based financial
26 aid; graduated tuition rates based on family income; differential
27 tuition rates by institutional mission, campus, and/or delivery method;
28 and differential tuition rates by academic program and/or course level.
29 Each option shall be assessed in terms of administrative feasibility;
30 interactions with and implications for state and federal financial aid
31 programs, including tax credits; impacts on the guaranteed education
32 tuition program; and impacts on students of different income levels.
33 The board shall report its findings and recommendations to the governor
34 and to the higher education and relevant fiscal committees of the
35 legislature by November 1, 2009.

36 NEW SECTION. **Sec. 613. FOR THE HIGHER EDUCATION COORDINATING**

1 **BOARD--FINANCIAL AID AND GRANT PROGRAMS**

2 General Fund--State Appropriation (FY 2010) \$197,518,000
3 General Fund--State Appropriation (FY 2011) \$206,038,000
4 General Fund--Federal Appropriation \$13,138,000
5 Education Legacy Trust Account--State Appropriation \$88,062,000
6 TOTAL APPROPRIATION \$504,756,000

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

9 (1) \$181,741,000 of the general fund--state appropriation for
10 fiscal year 2010, \$202,441,000 of the general fund--state appropriation
11 for fiscal year 2011, \$46,340,000 of the education legacy trust account
12 appropriation for fiscal year 2010, \$33,850,000 of the education legacy
13 trust account appropriation for fiscal year 2011, and \$2,446,000 of the
14 general fund--federal appropriation are provided solely for student
15 financial aid payments under the state need grant; the state work study
16 program including up to a four percent administrative allowance; the
17 Washington scholars program; and the Washington award for vocational
18 excellence. State need grant, Washington award for vocational
19 excellence, and Washington scholars awards shall be adjusted to offset
20 the cost of the resident undergraduate tuition increases authorized
21 under this act.

22 (2)(a) Within the funds appropriated in this section, eligibility
23 for the state need grant shall include students with family incomes at
24 or below 70 percent of the state median family income (MFI), adjusted
25 for family size. Awards for all students shall be adjusted by the
26 estimated amount by which Pell grant increases exceed projected
27 increases in the noninstructional costs of attendance. Awards for
28 students with incomes between 51 and 70 percent of the state median
29 shall be prorated at the following percentages of the award amount
30 granted to those with incomes below 51 percent of the MFI: 75 percent
31 for students with family incomes between 51 and 65 percent MFI; and 50
32 percent for students with family incomes between 66 and 70 percent MFI.

33 (b) Grant awards for students at private four-year colleges shall
34 not be adjusted for tuition increases during the 2009-11 fiscal
35 biennium.

36 (3) \$1,000,000 of the education legacy trust account--state
37 appropriation is provided solely to encourage more students to teach
38 secondary mathematics and science. \$500,000 of this amount is for the

1 future teacher scholarship and conditional loan program. \$500,000 of
2 this amount is provided to support state work study positions for
3 students to intern in secondary schools and classrooms.

4 (4) \$3,872,000 of the education legacy trust account--state
5 appropriation is provided solely for the passport to college
6 scholarship program. Funds are provided for student scholarships,
7 provider training, and for incentive payments to the colleges they
8 attend for individualized student support services which may include,
9 but are not limited to, college and career advising, counseling,
10 tutoring, costs incurred for students while school is not in session,
11 personal expenses, health insurance, and emergency services.

12 (5) Amounts provided in this section are sufficient to continue
13 Washington scholars awards and Washington awards for vocational
14 excellence under existing terms and conditions, adjusted for the
15 tuition increases authorized in this act, for all scholarships and
16 awards granted through the beginning of the 2009-10 academic year. No
17 new Washington scholars shall be named for the 2010-11 academic year.

18 (6) \$246,000 of the general fund--state appropriation for fiscal
19 year 2010 and \$246,000 of the general fund--state appropriation for
20 fiscal year 2011 are for community scholarship matching grants and its
21 administration. To be eligible for the matching grant, nonprofit
22 groups organized under section 501(c)(3) of the federal internal
23 revenue code must demonstrate they have raised at least \$2,000 in new
24 moneys for college scholarships after the effective date of this
25 section. Groups may receive no more than one \$2,000 matching grant per
26 year and preference shall be given to groups affiliated with
27 scholarship America. Up to a total of \$46,000 per year of the amount
28 appropriated in this section may be awarded to a nonprofit community
29 organization to administer scholarship matching grants, with preference
30 given to an organization affiliated with scholarship America.

31 (7) \$500,000 of the general fund--state appropriation for fiscal
32 year 2010 and \$500,000 of the general fund--state appropriation for
33 fiscal year 2011 are provided solely for state need grants provided to
34 students enrolled in three to five credit-bearing quarter credits, or
35 the equivalent semester credits. Total state expenditures on this
36 program shall not exceed the amounts provided in this subsection.

1 (2) \$1,000,000 of the general fund--federal appropriation is
2 provided to the department to contract with Thrive by Five, Washington
3 for a pilot project for a quality rating and improvement system to
4 provide parents with information they need to choose quality child care
5 and education programs and to improve the quality of early care and
6 education programs. The department in collaboration with Thrive by
7 Five shall operate the pilot project in King, Yakima, Clark, Spokane,
8 and Kitsap counties. The department shall use child care development
9 fund quality money for this purpose.

10 (3) The department is the lead agency for and recipient of the
11 federal child care and development fund grant. Amounts within this
12 grant shall be used to fund child care licensing, quality initiatives,
13 agency administration, and other costs associated with child care
14 subsidies. The department shall transfer a portion of this grant to
15 the department of social and health services to partially fund the
16 child care subsidies paid by the department of social and health
17 services on behalf of the department of early learning.

18 (4) The department shall use child care development fund money to
19 satisfy the federal audit requirement of the improper payments act
20 (IPIA) of 2002. In accordance with the IPIA's rules, the money spent
21 on the audits will not count against the five percent state limit on
22 administrative expenditures.

23 (5) Within available amounts, the department in consultation with
24 the office of financial management and the department of social and
25 health services shall report quarterly enrollments and active caseload
26 for the working connections child care program to the legislative
27 fiscal committees. The report shall also identify the number of cases
28 participating in both temporary assistance for needy families and
29 working connections child care.

30 (6) The appropriations in this section reflect reductions in the
31 appropriations for the department's administrative expenses. It is the
32 intent of the legislature that these reductions shall be achieved, to
33 the greatest extent possible, by reducing those administrative costs
34 that do not affect direct client services or direct service delivery or
35 program.

36 NEW SECTION. **Sec. 617. FOR THE STATE SCHOOL FOR THE BLIND**
37 General Fund--State Appropriation (FY 2010) \$6,138,000

1	General Fund--State Appropriation (FY 2011)	\$6,123,000
2	General Fund--Private/Local Appropriation	\$1,970,000
3	TOTAL APPROPRIATION	\$14,231,000

4 The appropriations in this section are subject to the following
5 conditions and limitations: \$135,000 of the general fund--
6 private/local appropriation for fiscal year 2010 and \$136,000 of the
7 general fund--private/local appropriation for fiscal year 2011 are
8 provided solely for the operation of a short course program. The
9 school for the blind shall provide this service to the extent it is
10 funded by contracts with school districts and educational service
11 districts.

12 NEW SECTION. **Sec. 618. FOR THE STATE SCHOOL FOR THE DEAF**

13	General Fund--State Appropriation (FY 2010)	\$8,848,000
14	General Fund--State Appropriation (FY 2011)	\$8,879,000
15	General Fund--Private/Local Appropriation	\$526,000
16	TOTAL APPROPRIATION	\$18,253,000

17 The appropriations in this section are subject to the following
18 conditions and limitations: \$126,000 of the general fund--
19 private/local appropriation for fiscal year 2010 and \$84,000 of the
20 general fund--private/local appropriation for fiscal year 2011 are
21 provided solely for the operation of a shared reading video outreach
22 program. The school for the deaf shall provide this service to the
23 extent it is funded by contracts with school districts and educational
24 service districts.

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

26	General Fund--State Appropriation (FY 2010)	\$2,046,000
27	General Fund--State Appropriation (FY 2011)	\$2,047,000
28	General Fund--Federal Appropriation	\$1,620,000
29	General Fund--Private/Local Appropriation	\$1,054,000
30	TOTAL APPROPRIATION	\$6,767,000

31 The appropriations in this section are subject to the following
32 conditions and limitations: It is the intent of the legislature that
33 the reductions in appropriations in this section shall be achieved, to
34 the greatest extent possible, by reducing those administrative costs
35 that do not affect direct client services or direct service delivery or

1 programs. The agency shall, to the greatest extent possible, reduce
2 spending in those areas that shall have the least impact on
3 implementing its mission.

4 NEW SECTION. **Sec. 620. FOR THE WASHINGTON STATE HISTORICAL**
5 **SOCIETY**

6	General Fund--State Appropriation (FY 2010)	\$2,631,000
7	General Fund--State Appropriation (FY 2011)	\$2,665,000
8	TOTAL APPROPRIATION	\$5,296,000

9 The appropriations in this section are subject to the following
10 conditions and limitations: It is the intent of the legislature that
11 the reductions in appropriations in this section shall be achieved, to
12 the greatest extent possible, by reducing those administrative costs
13 that do not affect direct client services or direct service delivery or
14 programs. The agency shall, to the greatest extent possible, reduce
15 spending in those areas that shall have the least impact on
16 implementing its mission.

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

19	General Fund--State Appropriation (FY 2010)	\$1,635,000
20	General Fund--State Appropriation (FY 2011)	\$1,671,000
21	TOTAL APPROPRIATION	\$3,306,000

22 The appropriations in this section are subject to the following
23 conditions and limitations: It is the intent of the legislature that
24 the reductions in appropriations in this section shall be achieved, to
25 the greatest extent possible, by reducing those administrative costs
26 that do not affect direct client services or direct service delivery or
27 programs. The agency shall, to the greatest extent possible, reduce
28 spending in those areas that shall have the least impact on
29 implementing its mission.

(End of part)

PART VII

SPECIAL APPROPRIATIONS

NEW SECTION. **Sec. 701. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT**

General Fund--State Appropriation (FY 2010)	\$854,461,000
General Fund--State Appropriation (FY 2011)	\$897,826,000
State Building Construction Account--State Appropriation	\$11,707,000
Columbia River Basin Water Supply Development Account-- State Appropriation	\$92,000
Hood Canal Aquatic Rehabilitation Bond Account--State Appropriation	\$11,000
State Taxable Building Construction Account--State Appropriation	\$1,136,000
Gardner-Evans Higher Education Construction Account-- State Appropriation	\$260,000
Debt-Limit Reimbursable Bond Retirement Account--State Appropriation	\$2,619,000
TOTAL APPROPRIATION	\$1,768,112,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for expenditure into the debt-limit general fund bond retirement account. The entire general fund--state appropriation for fiscal year 2010 shall be expended into the debt-limit general fund bond retirement account by June 30, 2010.

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

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

1 **FIRE CONTINGENCY**

2	General Fund--State Appropriation (FY 2010)	\$4,000,000
3	General Fund--State Appropriation (FY 2011)	\$4,000,000
4	TOTAL APPROPRIATION	\$8,000,000

5 The appropriations in this section are subject to the following
6 conditions and limitations: The appropriations are provided solely for
7 expenditure into the disaster response account.

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

10	General Fund--State Appropriation (FY 2010)	\$14,558,000
11	General Fund--State Appropriation (FY 2011)	\$15,087,000
12	TOTAL APPROPRIATION	\$29,645,000

13 The appropriations in this section are subject to the following
14 conditions and limitations: The appropriations are provided solely for
15 expenditure into the disaster response account. \$5,000,000 of the
16 appropriation is provided for emergency fire suppression by the
17 department of natural resources.

18 NEW SECTION. **Sec. 707. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
19 **EMERGENCY FUND**

20	General Fund--State Appropriation (FY 2010)	\$850,000
21	General Fund--State Appropriation (FY 2011)	\$850,000
22	TOTAL APPROPRIATION	\$1,700,000

23 The appropriations in this section are subject to the following
24 conditions and limitations: The appropriations in this section are for
25 the governor's emergency fund for the critically necessary work of any
26 agency.

27 NEW SECTION. **Sec. 708. FOR THE DEPARTMENT OF COMMUNITY, TRADE,**
28 **AND ECONOMIC DEVELOPMENT--COUNTY PUBLIC HEALTH ASSISTANCE**

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

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

1 community, trade, and economic development shall distribute the
 2 appropriations to the following counties and health districts in the
 3 amounts designated:

4

5	Health District	FY 2010	FY 2011	FY 2010-11
6				Biennium
7	Adams County Health District	\$30,951	\$30,951	\$61,902
8	Asotin County Health District	\$67,714	\$67,714	\$135,428
9	Benton-Franklin Health District	\$1,165,612	\$1,165,612	\$2,331,224
10	Chelan-Douglas Health District	\$184,761	\$184,761	\$369,522
11	Clallam County Health and Human Services Department	\$141,752	\$141,752	\$283,504
12	Southwest Washington Health District	\$1,084,473	\$1,084,473	\$2,168,946
13	Columbia County Health District	\$40,529	\$40,529	\$81,058
14	Cowlitz County Health Department	\$278,560	\$278,560	\$557,120
15	Garfield County Health District	\$15,028	\$15,028	\$30,056
16	Grant County Health District	\$118,595	\$118,596	\$237,191
17	Grays Harbor Health Department	\$183,870	183,870	\$367,740
18	Island County Health Department	\$91,892	\$91,892	\$183,784
19	Jefferson County Health and Human Services	\$85,782	\$85,782	\$171,564
20	Seattle-King County Department of Public Health	\$9,531,747	\$9,531,747	\$19,063,494
21	Bremerton-Kitsap County Health District	\$554,669	\$554,669	\$1,109,338
22	Kittitas County Health Department	\$92,499	\$92,499	\$184,998
23	Klickitat County Health Department	\$62,402	\$62,402	\$124,804
24	Lewis County Health Department	\$105,801	\$105,801	\$211,602
25	Lincoln County Health Department	\$29,705	\$29,705	\$59,410
26	Mason County Department of Health Services	\$95,988	\$95,988	\$191,976
27	Okanogan County Health District	\$63,458	\$63,458	\$126,916
28	Pacific County Health Department	\$77,427	\$77,427	\$154,854
29	Tacoma-Pierce County Health Department	\$2,820,590	\$2,820,590	\$5,641,180
30	San Juan County Health and Community Services	\$37,531	\$37,531	\$75,062
31	Skagit County Health Department	\$223,927	\$223,927	\$447,854
32	Snohomish Health District	\$2,258,207	\$2,258,207	\$4,516,414
33	Spokane County Health District	\$2,101,429	\$2,101,429	\$4,202,858
34	Northeast Tri-County Health District	\$110,454	\$110,454	\$220,908
35	Thurston County Health Department	\$600,419	\$600,419	\$1,200,838
36	Wahkiakum County Health Department	\$13,773	\$13,772	\$27,545

1	Walla Walla County-City Health Department	\$172,062	\$172,062	\$344,124
2	Whatcom County Health Department	\$855,863	\$855,863	\$1,711,726
3	Whitman County Health Department	\$78,733	\$78,733	\$157,466
4	Yakima Health District	\$623,797	\$623,797	\$1,247,594
5	TOTAL APPROPRIATIONS	\$24,000,000	\$24,000,000	\$48,000,000

6 NEW SECTION. **Sec. 709. BELATED CLAIMS.** The agencies and
7 institutions of the state may expend moneys appropriated in this act,
8 upon approval of the office of financial management, for the payment of
9 supplies and services furnished to the agency or institution in prior
10 fiscal biennia.

11 NEW SECTION. **Sec. 710. FOR THE DEPARTMENT OF RETIREMENT**
12 **SYSTEMS--CONTRIBUTIONS TO RETIREMENT SYSTEMS.**

13 The appropriations in this section are subject to the following
14 conditions and limitations: The appropriations for the law enforcement
15 officers' and firefighters' retirement system shall be made on a
16 monthly basis beginning July 1, 2009, consistent with chapter 41.45
17 RCW, and the appropriations for the judges and judicial retirement
18 systems shall be made on a quarterly basis consistent with chapters
19 2.10 and 2.12 RCW.

20 (1) There is appropriated for state contributions to the law
21 enforcement officers' and firefighters' retirement system:

22	General Fund--State Appropriation (FY 2010)	\$51,500,000
23	General Fund--State Appropriation (FY 2011)	\$54,300,000
24	TOTAL APPROPRIATION	\$105,800,000

25 (2) There is appropriated for contributions to the judicial
26 retirement system:

27	General Fund--State Appropriation (FY 2010)	\$11,570,000
28	General Fund--State Appropriation (FY 2011)	\$12,860,000
29	TOTAL APPROPRIATION	\$24,430,000

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

32	General Fund--State Appropriation (FY 2010)	\$8,000,000
33	General Fund--State Appropriation (FY 2011)	\$8,000,000
34	TOTAL APPROPRIATION	\$16,000,000

1 The appropriations in this section are subject to the following
2 conditions and limitations: The appropriations in this section are
3 provided solely for expenditure into the education technology revolving
4 account for the purpose of covering ongoing operational and equipment
5 replacement costs incurred by the K-20 educational network program in
6 providing telecommunication services to network participants.

7 NEW SECTION. **Sec. 712. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
8 **WATER POLLUTION CONTROL REVOLVING ACCOUNT**

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

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

15 NEW SECTION. **Sec. 713. INCENTIVE SAVINGS--FY 2010.** The sum of
16 one hundred twenty-five million dollars or so much thereof as may be
17 available on June 30, 2010, from the total amount of unspent fiscal
18 year 2010 state general fund appropriations, exclusive of amounts
19 expressly placed into unallotted status by this act, is appropriated
20 for the purposes of RCW 43.79.460 in the manner provided in this
21 section.

22 (1) Of the total appropriated amount, one-half of that portion that
23 is attributable to incentive savings, not to exceed twenty-five million
24 dollars, is appropriated to the savings incentive account for the
25 purpose of improving the quality, efficiency, and effectiveness of
26 agency services, and credited to the agency that generated the savings.

27 (2) The remainder of the total amount, not to exceed one hundred
28 million dollars, is appropriated to the education savings account.

29 NEW SECTION. **Sec. 714. INCENTIVE SAVINGS--FY 2011.** The sum of
30 one hundred twenty-five million dollars or so much thereof as may be
31 available on June 30, 2011, from the total amount of unspent fiscal
32 year 2011 state general fund appropriations, exclusive of amounts
33 expressly placed into unallotted status by this act, is appropriated
34 for the purposes of RCW 43.79.460 in the manner provided in this
35 section.

1 (1) Of the total appropriated amount, one-half of that portion that
2 is attributable to incentive savings, not to exceed twenty-five million
3 dollars, is appropriated to the savings incentive account for the
4 purpose of improving the quality, efficiency, and effectiveness of
5 agency services, and credited to the agency that generated the savings.

6 (2) The remainder of the total amount, not to exceed one hundred
7 million dollars, is appropriated to the education savings account.

8 NEW SECTION. **Sec. 715. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
9 **COUNTY SUBSTANCE ABUSE PROGRAMS**

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

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

16 NEW SECTION. **Sec. 716. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
17 **EXTRAORDINARY CRIMINAL JUSTICE COSTS**

18 General Fund--State Appropriation (FY 2010) \$1,185,000

19 The appropriation in this section is subject to the following
20 conditions and limitations: The director of financial management shall
21 distribute funds to Franklin county (\$126,832), Skagit county
22 (\$64,701), Yakima county (\$83,457), Spokane county (\$205,781), and King
23 county (\$704,229) for extraordinary criminal justice costs.

24 NEW SECTION. **Sec. 717. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
25 **SMALL AGENCY TECHNOLOGY POOL**

26 General Fund--State Appropriation (FY 2010) \$250,000

27 General Fund--State Appropriation (FY 2011) \$250,000

28 TOTAL APPROPRIATION \$500,000

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

1 NEW SECTION. **Sec. 722. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**

2 **STATE EMPLOYEES--INSURANCE BENEFITS**

3	General Fund--State Appropriation (FY 2010)	\$17,857,000
4	General Fund--State Appropriation (FY 2011)	\$36,518,000
5	General Fund--Federal Appropriation	\$6,933,000
6	General Fund--Private/Local Appropriation	\$503,000
7	Dedicated Funds and Accounts Appropriation	\$9,676,000
8	TOTAL APPROPRIATION	\$71,487,000

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

11 (1) The appropriations in this section are provided solely to
12 increase agency and institution appropriations to reflect the increased
13 insurance premium rates specified in part 9 of this act.

14 (2) The office of financial management shall increase allotments
15 for all agencies and institutions by these amounts to reflect the
16 amounts identified in LEAP document SWM 6M - 2009, a computerized
17 tabulation developed by the legislative evaluation and accountability
18 program committee on March 25, 2009.

19 NEW SECTION. **Sec. 723. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**

20 **STATE EMPLOYEES--CONTRIBUTIONS TO RETIREMENT SYSTEMS**

21	General Fund--State Appropriation (FY 2010)	(\$52,377,000)
22	General Fund--State Appropriation (FY 2011)	(\$52,845,000)
23	General Fund--Federal Appropriation	(\$23,053,000)
24	General Fund--Private/Local Appropriation	(\$1,713,000)
25	Dedicated Funds and Accounts Appropriation	(\$33,193,000)
26	TOTAL APPROPRIATION	(\$163,181,000)

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

29 (1) The appropriations in this section are provided solely to
30 reduce agency and institution appropriations to reflect the retirement
31 system employer contribution rate changes specified in Senate Bill No.
32 . . . (retirement system funding).

33 (2) The office of financial management shall reduce allotments for
34 all agencies and institutions by these amounts to reflect the amounts
35 identified in LEAP document SWM Z9R - 2009, a computerized tabulation
36 developed by the legislative evaluation and accountability program

1 committee on March 26, 2009. The allotment reductions under this
2 section shall be placed in unallotted status and remain unexpended.

3 NEW SECTION. **Sec. 724. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
4 **STATE TRANSPORTATION EMPLOYEES--INSURANCE BENEFITS**

5 Dedicated Funds and Accounts Appropriation \$8,657,000

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

8 (1) The appropriation in this section is provided solely to
9 increase transportation agency appropriations to reflect the increased
10 insurance premium rates specified in part 9 of this act.

11 (2) The office of financial management shall increase allotments
12 for all agencies and institutions by these amounts to reflect the
13 amounts identified in LEAP document STC 6M - 2009, a computerized
14 tabulation developed by the legislative evaluation and accountability
15 program committee on March 25, 2009.

16 NEW SECTION. **Sec. 725. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
17 **STATE TRANSPORTATION EMPLOYEES--CONTRIBUTIONS TO RETIREMENT SYSTEMS**

18 Dedicated Funds and Accounts Appropriation (\$37,451,000)

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

21 (1) The appropriation in this section is provided solely to reduce
22 transportation agency appropriations to reflect the retirement system
23 employer contribution rate changes specified in Senate Bill No. . . .
24 (retirement system funding).

25 (2) The office of financial management shall reduce allotments for
26 all transportation agencies by these amounts to reflect the amounts
27 identified in LEAP document STC Z9R - 2009, a computerized tabulation
28 developed by the legislative evaluation and accountability program
29 committee on March 25, 2009. The allotment reductions under this
30 section shall be placed in unallotted status and remain unexpended.

31 NEW SECTION. **Sec. 726. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**
32 **SCHOOL EMPLOYEES--CONTRIBUTIONS TO RETIREMENT SYSTEMS**

33 General Fund--State Appropriation (FY 2010) (\$135,472,000)

34 General Fund--State Appropriation (FY 2011) (\$170,122,000)

35 General Fund--Federal Appropriation (\$137,000)

1 TOTAL APPROPRIATION (\$305,731,000)

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

4 (1) The appropriations in this section are provided solely for
5 adjustments to allocations to reflect the retirement system employer
6 contribution rate changes specified in Senate Bill No. . . .
7 (retirement system funding).

8 (2) The office of financial management shall reduce allotments for
9 the office of the superintendent of public instruction by these
10 amounts. The allotment reductions under this section shall be placed
11 in unallotted status and remain unexpended.

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

NEW SECTION. Sec. 801. FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

Table with 2 columns: Description and Amount. Rows include General Fund Appropriation for fire insurance (\$8,268,000), public utility district excise tax distributions (\$50,504,000), prosecuting attorney distributions (\$6,281,000), boating safety and education distributions (\$4,854,000), other tax distributions (\$50,000), habitat conservation program distributions (\$3,000,000), Death Investigations Account (\$2,544,000), Aquatic Lands Enhancement Account (\$170,000), Timber Tax Distribution Account (\$69,288,000), County Criminal Justice Assistance (\$66,374,000), Municipal Criminal Justice Assistance (\$25,622,000), City-County Assistance Account (\$23,052,000), Liquor Excise Tax Account (\$50,950,000), Streamline Sales and Use Tax Account (\$65,038,000), Columbia River Water Delivery Account for Confederated Tribes (\$7,308,000), and Columbia River Water Delivery Account for Spokane Tribe (\$4,676,000).

1 which the city is located. This funding is provided to cities for the
2 costs of implementing criminal justice legislation including, but not
3 limited to: Chapter 206, Laws of 1998 (drunk driving penalties);
4 chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998
5 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license
6 suspension); chapter 210, Laws of 1998 (ignition interlock violations);
7 chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998
8 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels
9 lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215,
10 Laws of 1998 (DUI provisions).

11 NEW SECTION. **Sec. 804. FOR THE STATE TREASURER--FEDERAL REVENUES**
12 **FOR DISTRIBUTION**

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

20 The total expenditures from the state treasury under the
21 appropriations in this section shall not exceed the funds available
22 under statutory distributions for the stated purposes.

23 NEW SECTION. **Sec. 805. FOR THE STATE TREASURER--TRANSFERS.**

24 Performance Audits of Government Account: For transfer
25 to the state general fund for fiscal year 2010 \$15,000,000
26 State Treasurer's Service Account: For transfer to the
27 state general fund, \$10,400,000 for fiscal year 2010 and
28 \$10,400,000 for fiscal year 2011 \$20,800,000
29 Waste Reduction, Recycling and Litter Control Account: For
30 transfer to the state general fund, \$2,000,000 for fiscal
31 year 2010 and \$2,000,000 for fiscal year 2011 \$4,000,000
32 State Toxics Control Account: For transfer to the state
33 general fund, \$15,340,000 for fiscal year 2010 and
34 \$14,400,000 for fiscal year 2011 \$29,740,000
35 Local Toxics Control Account: For transfer to the state
36 general fund, \$36,530,000 for fiscal year 2010 and

1 \$36,530,000 for fiscal year 2011 \$73,060,000
2 Education Construction Account: For transfer to the state
3 general fund, \$91,150,000 for fiscal year 2010 and
4 \$91,150,000 for fiscal year 2011 \$182,300,000
5 Nisqually Earthquake Account: For transfer to the disaster
6 response account for fiscal year 2010 \$500,000
7 Drinking Water Assistance Account: For transfer to the
8 drinking water assistance repayment account \$28,600,000
9 Public Works Assistance Account: For transfer to the
10 drinking water assistance account, \$4,000,000 for
11 fiscal year 2010 and \$4,000,000 for fiscal
12 year 2011 \$8,000,000
13 Public Works Assistance Account: For transfer to the
14 city-county assistance account, \$5,000,000 on
15 July 1, 2009, and \$5,000,000 on July 1, 2010 \$10,000,000
16 Public Works Assistance Account: For transfer to the
17 state general fund, \$184,000,000 for fiscal year
18 2010 and \$184,000,000 for fiscal year 2011 \$368,000,000
19 Tobacco Settlement Account: For transfer to the state
20 general fund, in an amount not to exceed by more than
21 \$26,000,000 the actual amount of the annual base payment to
22 the tobacco settlement account \$203,843,000
23 Tobacco Settlement Account: For transfer to the life
24 sciences discovery fund, in an amount not to exceed
25 \$26,000,000 less than the strategic contribution
26 supplemental payment to the tobacco settlement
27 account \$38,606,000
28 State General Fund: For transfer to the tobacco
29 prevention and control account for fiscal
30 year 2010 \$1,224,000
31 General Fund: For transfer to the streamline sales and
32 use tax account, \$31,447,000 for fiscal year 2010 and
33 \$33,591,000 for fiscal year 2011 \$65,038,000
34 Energy Freedom Account: For transfer to the
35 general fund, \$3,000,000 for fiscal year
36 2010 and \$3,000,000 for fiscal year 2011 \$6,000,000
37 The Charitable, Educational, Penal, and Reformatory
38 Institutions Account: For transfer to the state

1 general fund, \$4,250,000 for fiscal year 2010 and
2 \$4,250,000 for fiscal year 2011 \$8,500,000
3 Thurston County Capital Facilities Account: For
4 transfer to the state general fund, \$4,194,000 for
5 fiscal year 2010 and \$4,194,000 for fiscal year
6 2011 \$8,388,000
7 State Forest Nursery Revolving Account: For transfer to the state
8 general fund, \$500,000 for fiscal year 2010 and \$200,000
9 for fiscal year 2011 \$700,000
10 State Emergency Water Projects Revolving Account: For transfer
11 to the state general fund, \$390,000 for fiscal
12 year 2011 \$390,000
13 Economic Development Strategic Reserve Account: For
14 transfer to the state general fund, \$3,250,000 for fiscal
15 year 2010 and \$3,250,000 for fiscal year 2011 \$6,500,000
16 Department of Retirement Systems Expense Account:
17 For transfer to the state general fund, \$1,500,000
18 for fiscal year 2011 \$1,500,000
19 Judicial Information System Account: For transfer to
20 the state general fund, \$2,500,000 for fiscal
21 year 2010 and \$2,500,000 for fiscal year 2011 \$5,000,000
22 State Convention and Trade Center Account: For transfer
23 to the state general fund, \$18,465,000 for fiscal
24 year 2010 and \$18,685,000 for fiscal year 2011 \$37,150,000
25 Liquor Revolving Account: For transfer to the state
26 general fund, \$30,000,000 for fiscal year 2010 and
27 \$30,000,000 for fiscal year 2011 \$60,000,000
28 Aquatic Lands Enhancement Account: For transfer to
29 the general fund, \$4,300,000 for fiscal year
30 2010 and \$4,300,000 for fiscal year 2011 \$8,600,000

(End of part)

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

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

18 (5) The agency shall produce a comprehensive management plan for
19 each project. The plan or plans shall address all factors critical to
20 successful completion of each project. The plan(s) shall include, but
21 is not limited to, the following elements: A description of the
22 problem or opportunity that the information technology project is
23 intended to address; a statement of project objectives and assumptions;
24 a definition and schedule of phases, tasks, and activities to be
25 accomplished; and the estimated cost of each phase. The planning for
26 the phased approach shall be such that the business case justification
27 for a project needs to demonstrate how the project recovers cost or
28 adds measurable value or positive cost benefit to the agency's business
29 functions within each development cycle.

30 (6) The agency shall produce quality assurance plans for
31 information technology projects. Consistent with the direction of the
32 information services board and the published policies and guidelines of
33 the department of information services, the quality assurance plan
34 shall address all factors critical to successful completion of the
35 project and successful integration with the agency and state
36 information technology infrastructure. At a minimum, quality assurance
37 plans shall provide time and budget benchmarks against which project
38 progress can be measured, a specification of quality assurance

1 responsibilities, and a statement of reporting requirements. The
2 quality assurance plans shall set out the functionality requirements
3 for each phase of a project.

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

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

21 NEW SECTION. **Sec. 903. INFORMATION TECHNOLOGY ENTERPRISE**
22 **SERVICES.** Agencies may make use of the department of information
23 services when acquiring information technology services, products, and
24 assets.

25 "Information technology services" means the acquisition,
26 provisioning, or approval of hardware, software, and purchased or
27 personal services provided by the department of information services.

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

32 NEW SECTION. **Sec. 904. VIDEO TELECOMMUNICATIONS.** The department
33 of information services shall act as lead agency in coordinating video
34 telecommunications services for state agencies. As lead agency, the
35 department shall develop standards and common specifications for leased
36 and purchased telecommunications equipment and assist state agencies in

1 developing a video telecommunications expenditure plan. No agency may
2 spend any portion of any appropriation in this act for new video
3 telecommunication equipment, new video telecommunication transmission,
4 or new video telecommunication programming, or for expanding current
5 video telecommunication systems without first complying with chapter
6 43.105 RCW, including but not limited to, RCW 43.105.041(2), and
7 without first submitting a video telecommunications expenditure plan,
8 in accordance with the policies of the department of information
9 services, for review and assessment by the department of information
10 services under RCW 43.105.052. Prior to any such expenditure by a
11 public school, a video telecommunications expenditure plan shall be
12 approved by the superintendent of public instruction. The office of
13 the superintendent of public instruction shall submit the plans to the
14 department of information services in a form prescribed by the
15 department. The office of the superintendent of public instruction
16 shall coordinate the use of video telecommunications in public schools
17 by providing educational information to local school districts and
18 shall assist local school districts and educational service districts
19 in telecommunications planning and curriculum development. Prior to
20 any such expenditure by a public institution of postsecondary
21 education, a telecommunications expenditure plan shall be approved by
22 the higher education coordinating board. The higher education
23 coordinating board shall coordinate the use of video telecommunications
24 for instruction and instructional support in postsecondary education,
25 including the review and approval of instructional telecommunications
26 course offerings.

27 NEW SECTION. **Sec. 905. PRINT ASSESSMENTS.** The department of
28 printing shall conduct print assessments of agencies in order to
29 identify opportunities for financial savings and efficiencies and to
30 eliminate redundancies and create consistencies in the printing of
31 state materials. When conducting a print assessment, agencies shall
32 work with the department of printing and provide the necessary
33 information in order for the department to assess costs related to
34 office convenience and production printing, in-house printing
35 facilities and related costs for services, equipment and supplies, and
36 third-party printing costs.

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

12 (1) Simplifying processes and gaining efficiencies;

13 (2) Using a shared, common service model;

14 (3) Centralizing services or activities which may lead to
15 consolidating or eliminating existing programs or state agencies; and

16 (4) Revising agencies' authority or governance structures.

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

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

30 NEW SECTION. **Sec. 908. EMERGENCY FUND ALLOCATIONS.** Whenever
31 allocations are made from the governor's emergency fund appropriation
32 to an agency that is financed in whole or in part by other than general
33 fund moneys, the director of financial management may direct the
34 repayment of such allocated amount to the general fund from any balance
35 in the fund or funds which finance the agency. No appropriation shall
36 be necessary to effect such repayment.

1 NEW SECTION. **Sec. 909. STATUTORY APPROPRIATIONS.** In addition
2 to the amounts appropriated in this act for revenues for distribution,
3 state contributions to the law enforcement officers' and fire fighters'
4 retirement system plan 2, and bond retirement and interest including
5 ongoing bond registration and transfer charges, transfers, interest on
6 registered warrants, and certificates of indebtedness, there is also
7 appropriated such further amounts as may be required or available for
8 these purposes under any statutory formula or under chapters 39.94 and
9 39.96 RCW or any proper bond covenant made under law.

10 NEW SECTION. **Sec. 910. BOND EXPENSES.** In addition to such other
11 appropriations as are made by this act, there is hereby appropriated to
12 the state finance committee from legally available bond proceeds in the
13 applicable construction or building funds and accounts such amounts as
14 are necessary to pay the expenses incurred in the issuance and sale of
15 the subject bonds.

16 NEW SECTION. **Sec. 911. VOLUNTARY RETIREMENT, SEPARATION, AND**
17 **DOWNSHIFTING INCENTIVES.** As a management tool to reduce costs and make
18 more effective use of resources, while improving employee productivity
19 and morale, agencies may implement a voluntary retirement, separation,
20 and/or downshifting incentive program that is cost neutral or results
21 in cost savings, provided that such a program is approved by the
22 director of financial management.

23 Agencies participating in this authorization may offer voluntary
24 retirement, separation, and/or downshifting incentives and options
25 according to procedures and guidelines established by the office of
26 financial management, in consultation with the department of personnel
27 and the department of retirement systems. The options may include, but
28 are not limited to, financial incentives for: Voluntary separation or
29 retirement, voluntary leave-without-pay, voluntary workweek or work
30 hour reduction, voluntary downward movement, or temporary separation
31 for development purposes. An employee does not have a contractual
32 right to a financial incentive offered pursuant to this section.

33 Offers shall be reviewed and monitored jointly by the department of
34 personnel and the department of retirement systems. Agencies are
35 required to submit a report by June 30, 2011, to the legislature and
36 the office of financial management on the outcome of their approved

1 incentive program. The report should include information on the
2 details of the program including resulting service delivery changes,
3 agency efficiencies, the cost of the incentive per participant, the
4 total cost to the state, and the projected or actual net dollar savings
5 over the 2009-11 biennium.

6 NEW SECTION. **Sec. 912. ADMINISTRATIVE REDUCTIONS.** (1) The
7 appropriations in this act reflect significant reductions in the
8 appropriations for the administrative expenses of state government. It
9 is the intent of the legislature that these reductions shall be
10 achieved, to the greatest extent possible, by reducing those
11 administrative costs that do not affect direct client services or
12 direct service delivery or programs.

13 (2) To the extent permitted by the applicable personnel system
14 rules, and to the extent collectively bargained with represented
15 employees where applicable, the agencies and institutions of state
16 government are encouraged to achieve the reductions in full-time-
17 equivalent employment and payroll levels necessary to operate within
18 these appropriations through strategies that will minimize impacts on
19 employees, their families, their communities, and short- and long-term
20 accomplishment of the agency's mission. Agencies are encouraged to use
21 strategies such as reduced work-hours per day or week, voluntary leave
22 without pay, and temporary furloughs that enable employees to maintain
23 permanent employment status. Agencies are further encouraged to
24 implement such strategies in ways that will enable employees to
25 maintain full insurance benefits, full accrual of retirement service
26 credit, and a living wage.

27 NEW SECTION. **Sec. 913. COMPENSATION--INSURANCE BENEFITS.**
28 Appropriations for state agencies in this act are sufficient for
29 nonrepresented and represented state employee health benefits for state
30 agencies, including institutions of higher education and are subject to
31 the following conditions and limitations:

32 (1)(a) The monthly employer funding rate for insurance benefit
33 premiums, public employees' benefits board administration, and the
34 uniform medical plan, shall not exceed \$745 per eligible employee for
35 fiscal year 2010. For fiscal year 2011 the monthly employer funding
36 rate shall not exceed \$768 per eligible employee.

1 (b) In order to achieve the level of funding provided for health
2 benefits, the public employees' benefits board shall require any or all
3 of the following: Employee premium copayments, increases in
4 point-of-service cost sharing, the implementation of managed
5 competition, or make other changes to benefits consistent with RCW
6 41.05.065. Except as provided in subsection (1)(c) of this section,
7 during the 2009-11 fiscal biennium, the board may only authorize
8 benefit plans and premium contributions for an employee and the
9 employee's dependents that are the same, regardless of an employee's
10 status as represented or nonrepresented under the personnel system
11 reform act of 2002.

12 (c) Collective bargaining agreements negotiated for the 2007-09
13 fiscal biennium as part of the super coalition under chapter 41.80 RCW
14 include employer contributions to health insurance premiums at 88
15 percent of the cost. In the absence of collective bargaining
16 agreements for the 2009-11 fiscal biennium, this distribution of costs
17 for super coalition represented employees continues until the end of
18 fiscal year 2010. If no new collective bargaining agreements governing
19 health care cost-sharing for super coalition or other represented
20 employees are implemented for the 2009-2011 fiscal biennium, to ensure
21 that represented employees whose contracts call for them to bear no
22 more than an average of 12 percent of the cost of health benefits do
23 not pay more than required by their contracts, during the first six
24 months of calendar year 2010 a rebate shall be provided to these
25 employees for any difference between the percentage of costs charged to
26 employees for health care and associated benefits between January 1,
27 2010, and June 30, 2010, and the cost-sharing amount allowed under
28 their contract.

29 (d) The health care authority shall deposit any moneys received on
30 behalf of the uniform medical plan as a result of rebates on
31 prescription drugs, audits of hospitals, subrogation payments, or any
32 other moneys recovered as a result of prior uniform medical plan claims
33 payments, into the public employees' and retirees' insurance account to
34 be used for insurance benefits. Such receipts shall not be used for
35 administrative expenditures.

36 (e) The conditions in this section apply to benefits for
37 nonrepresented employees, employees represented by the super coalition,

1 and represented employees outside of the super coalition, including
2 employees represented under chapter 47.64 RCW.

3 (2) The health care authority, subject to the approval of the
4 public employees' benefits board, shall provide subsidies for health
5 benefit premiums to eligible retired or disabled public employees and
6 school district employees who are eligible for medicare, pursuant to
7 RCW 41.05.085. From January 1, 2010, through December 31, 2010, the
8 subsidy shall be \$182.89. Starting January 1, 2011, the subsidy shall
9 be \$182.89 per month.

10 (3) Technical colleges, school districts, and educational service
11 districts shall remit to the health care authority for deposit into the
12 public employees' and retirees' insurance account established in RCW
13 41.05.120 the following amounts:

14 (a) For each full-time employee, \$59.59 per month beginning
15 September 1, 2009, and \$64.90 beginning September 1, 2010;

16 (b) For each part-time employee, who at the time of the remittance
17 is employed in an eligible position as defined in RCW 41.32.010 or
18 41.40.010 and is eligible for employer fringe benefit contributions for
19 basic benefits, \$59.59 each month beginning September 1, 2009, and
20 \$64.90 beginning September 1, 2010, prorated by the proportion of
21 employer fringe benefit contributions for a full-time employee that the
22 part-time employee receives. The remittance requirements specified in
23 this subsection shall not apply to employees of a technical college,
24 school district, or educational service district who purchase insurance
25 benefits through contracts with the health care authority.

26 **NEW SECTION. Sec. 914. COMPENSATION--REVISE PENSION CONTRIBUTION**
27 **RATES.** The appropriations for school districts and state agencies,
28 including institutions of higher education are subject to the following
29 conditions and limitations: Appropriations are adjusted to reflect
30 changes to agency appropriations to reflect savings resulting from
31 changes to pension funding as provided in Z-. . . ./09 (revise pension
32 funding). If the bill is not enacted by June 30, 2009, this section
33 shall lapse.

34 **NEW SECTION. Sec. 915. COLLECTIVE BARGAINING AGREEMENTS NOT**
35 **IMPAIRED.** Nothing in this act or chapter 5 (ESSB 5460), Laws of 2009
36 prohibits the expenditure of any funds by an agency or institution of

1 the state for benefits guaranteed by any collective bargaining
2 agreement in effect on the effective date of chapter 5, Laws of 2009
3 (February 18, 2009).

4 NEW SECTION. **Sec. 916. GAMBLING COMMISSION.** The state gambling
5 commission must take any actions that are necessary to ensure that its
6 rules and other interpretive statements are consistent with Senate Bill
7 No. 6152 (definition of gambling).

8 **Sec. 917.** RCW 2.68.020 and 2005 c 282 s 11 are each amended to
9 read as follows:

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

28 **Sec. 918.** RCW 28A.500.030 and 2006 c 372 s 904 are each amended to
29 read as follows:

30 Allocation of state matching funds to eligible districts for local
31 effort assistance shall be determined as follows:

32 (1) Funds raised by the district through maintenance and operation
33 levies shall be matched with state funds using the following ratio of
34 state funds to levy funds:

1 (a) The difference between the district's twelve percent levy rate
2 and the statewide average twelve percent levy rate; to

3 (b) The statewide average twelve percent levy rate.

4 (2) The maximum amount of state matching funds for districts
5 eligible for local effort assistance shall be the district's twelve
6 percent levy amount, multiplied by the following percentage:

7 (a) The difference between the district's twelve percent levy rate
8 and the statewide average twelve percent levy rate; divided by

9 (b) The district's twelve percent levy rate.

10 (3) Calendar year 2003 allocations and maximum eligibility under
11 this chapter shall be multiplied by 0.99.

12 (4) From January 1, 2004, to December 31, 2005, allocations and
13 maximum eligibility under this chapter shall be multiplied by 0.937.

14 (5) From January 1, 2006, to December 31, 2006, allocations and
15 maximum eligibility under this chapter shall be multiplied by 0.9563.
16 Beginning with calendar year 2007, allocations and maximum eligibility
17 under this chapter shall be fully funded at one hundred percent and
18 shall not be reduced except as provided in this section.

19 (6) From January 1, 2010, through December 31, 2010, allocations
20 and maximum eligibility under this chapter shall be multiplied by
21 0.2596.

22 (7) From January 1, 2011, through December 31, 2011, allocations
23 and maximum eligibility under this chapter shall be multiplied by
24 0.2519.

25 **Sec. 919.** RCW 28B.76.660 and 2005 c 518 s 917 are each amended to
26 read as follows:

27 (1) Recipients of the Washington scholars award or the Washington
28 scholars-alternate award under RCW 28A.600.100 through 28A.600.150 who
29 choose to attend an independent college or university in this state, as
30 defined in subsection (4) of this section, and recipients of the award
31 named after June 30, 1994, who choose to attend a public college or
32 university in the state may receive grants under this section if moneys
33 are available. The higher education coordinating board shall
34 distribute grants to eligible students under this section from moneys
35 appropriated for this purpose. The individual grants shall not exceed,
36 on a yearly basis, the yearly, full-time, resident, undergraduate
37 tuition and service and activities fees in effect at the state-funded

1 research universities. Grants to recipients attending an independent
2 institution shall be contingent upon the institution matching on at
3 least a dollar-for-dollar basis, either with actual money or by a
4 waiver of fees, the amount of the grant received by the student from
5 the state. The higher education coordinating board shall establish
6 procedures, by rule, to disburse the awards as direct grants to the
7 students.

8 (2) The higher education coordinating board shall establish rules
9 that provide for the annual awarding of grants, if moneys are
10 available, to three Washington scholars per legislative district,
11 except for (~~fiscal year 2007~~) the academic year beginning in 2010
12 when no (~~more than two~~) new scholars (~~per district~~) shall be
13 selected; and, if not used by an original recipient, to the Washington
14 scholars-alternate from the same legislative district.

15 Beginning with scholars selected in the year 2000, if the
16 recipients of grants fail to demonstrate in a timely manner that they
17 will enroll in a Washington institution of higher education in the fall
18 term of the academic year following the award of the grant or are
19 deemed by the higher education coordinating board to have withdrawn
20 from college during the first academic year following the award, then
21 the grant shall be considered relinquished. The higher education
22 coordinating board may then award any remaining grant amounts to the
23 Washington scholars-alternate from the same legislative district if the
24 grants are awarded within one calendar year of the recipient being
25 named a Washington scholars-alternate. Washington scholars-alternates
26 named as recipients of the grant must also demonstrate in a timely
27 manner that they will enroll in a Washington institution of higher
28 education during the next available term, as determined by the higher
29 education coordinating board. The board may accept appeals and grant
30 waivers to the enrollment requirements of this section based on
31 exceptional mitigating circumstances of individual grant recipients.

32 To maintain eligibility for the grants, recipients must maintain a
33 minimum grade point average at the college or university equivalent to
34 3.30. Students shall be eligible to receive a maximum of twelve
35 quarters or eight semesters of grants for undergraduate study and may
36 transfer among in-state public and independent colleges and
37 universities during that period and continue to receive the grant as
38 provided under RCW 28B.76.665. If the student's cumulative grade point

1 average falls below 3.30 during the first three quarters or two
2 semesters, that student may petition the higher education coordinating
3 board which shall have the authority to establish a probationary period
4 until such time as the student's grade point average meets required
5 standards.

6 (3) No grant shall be awarded to any student who is pursuing a
7 degree in theology.

8 (4) As used in this section, "independent college or university"
9 means a private, nonprofit educational institution, the main campus of
10 which is permanently situated in the state, open to residents of the
11 state, providing programs of education beyond the high school level
12 leading at least to the baccalaureate degree, and accredited by the
13 northwest association of schools and colleges as of June 9, 1988, and
14 other institutions as may be developed that are approved by the higher
15 education coordinating board as meeting equivalent standards as those
16 institutions accredited under this section.

17 (5) As used in this section, "public college or university" means
18 an institution of higher education as defined in RCW 28B.10.016.

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

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

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

27 (3) Expenditures from the account shall be used for scholarships to
28 eligible students and for purchases of GET units. Purchased GET units
29 shall be owned and held in trust by the board. Expenditures from the
30 account shall be an equal match of state appropriations and private
31 funds raised by the program administrator. During the ((2007-09))
32 2009-2011 fiscal biennium, expenditures from the account not to exceed
33 five percent may be used by the program administrator to carry out the
34 provisions of RCW 28B.105.090.

35 (4) With the exception of the operating costs associated with the
36 management of the account by the treasurer's office as authorized in

1 chapter 43.79A RCW, the account shall be credited with all investment
2 income earned by the account.

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

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

7 **Sec. 921.** RCW 38.52.106 and 2008 c 329 s 909 are each amended to
8 read as follows:

9 The Nisqually earthquake account is created in the state treasury.
10 Moneys may be placed in the account from tax revenues, budget transfers
11 or appropriations, federal appropriations, gifts, or any other lawful
12 source. Moneys in the account may be spent only after appropriation.
13 Moneys in the account shall be used only to support state and local
14 government disaster response and recovery efforts associated with the
15 Nisqually earthquake. During the 2003-2005 fiscal biennium, the
16 legislature may transfer moneys from the Nisqually earthquake account
17 to the disaster response account for fire suppression and mobilization
18 costs. During the 2007-2009 fiscal biennium, moneys in the account may
19 also be used to support disaster response and recovery efforts
20 associated with flood and storm damage. During the 2009-2011 fiscal
21 biennium, the legislature may transfer moneys from the Nisqually
22 earthquake account to the disaster response account for disaster
23 response and recovery efforts associated with flood and storm damage.

24 **Sec. 922.** RCW 41.48.060 and 1991 sp.s. c 13 s 112 are each amended
25 to read as follows:

26 (1) There is hereby established a special account in the state
27 treasury to be known as the OASI contribution account. Such account
28 shall consist of and there shall be deposited in such account: (a) All
29 contributions and penalties collected under RCW 41.48.040 and
30 41.48.050; (b) all moneys appropriated thereto under this chapter; (c)
31 any property or securities belonging to the account; and (d) all sums
32 recovered upon the bond of the custodian or otherwise for losses
33 sustained by the account and all other moneys received for the account
34 from any other source. All moneys in the account shall be mingled and
35 undivided. Subject to the provisions of this chapter, the governor is
36 vested with full power, authority and jurisdiction over the account,

1 including all moneys and property or securities belonging thereto, and
2 may perform any and all acts whether or not specifically designated,
3 which are necessary to the administration thereof and are consistent
4 with the provisions of this chapter. During the 2009-2011 fiscal
5 biennium, moneys in the OASI contribution account may also be
6 transferred into the OASI revolving fund.

7 (2) The OASI contribution account shall be established and held
8 separate and apart from any other funds of the state and shall be used
9 and administered exclusively for the purpose of this chapter.
10 Withdrawals from such account shall be made for, and solely for (a)
11 payment of amounts required to be paid to the secretary of the treasury
12 pursuant to an agreement entered into under RCW 41.48.030; (b) payment
13 of refunds provided for in RCW 41.48.040(3); and (c) refunds of
14 overpayments, not otherwise adjustable, made by a political subdivision
15 or instrumentality.

16 (3) From the OASI contribution account the custodian of the fund
17 [account] shall pay to the secretary of the treasury such amounts and
18 at such time or times as may be directed by the governor in accordance
19 with any agreement entered into under RCW 41.48.030 and the social
20 security act.

21 (4) The treasurer of the state shall be ex officio treasurer and
22 custodian of the OASI contribution account and shall administer such
23 account in accordance with the provisions of this chapter and the
24 directions of the governor and shall pay all warrants drawn upon it in
25 accordance with the provisions of this section and with the regulations
26 as the governor may prescribe pursuant thereto.

27 **Sec. 923.** RCW 41.50.110 and 2008 c 329 s 911 are each amended to
28 read as follows:

29 (1) Except as provided by RCW 41.50.255 and subsection (6) of this
30 section, all expenses of the administration of the department, the
31 expenses of administration of the retirement systems, and the expenses
32 of the administration of the office of the state actuary created in
33 chapters 2.10, 2.12, 41.26, 41.32, 41.40, 41.34, 41.35, 41.37, 43.43,
34 and 44.44 RCW shall be paid from the department of retirement systems
35 expense fund.

36 (2) In order to reimburse the department of retirement systems
37 expense fund on an equitable basis the department shall ascertain and

1 report to each employer, as defined in RCW 41.26.030, 41.32.010,
2 41.35.010, 41.37.010, or 41.40.010, the sum necessary to defray its
3 proportional share of the entire expense of the administration of the
4 retirement system that the employer participates in during the ensuing
5 biennium or fiscal year whichever may be required. Such sum is to be
6 computed in an amount directly proportional to the estimated entire
7 expense of the administration as the ratio of monthly salaries of the
8 employer's members bears to the total salaries of all members in the
9 entire system. It shall then be the duty of all such employers to
10 include in their budgets or otherwise provide the amounts so required.

11 (3) The department shall compute and bill each employer, as defined
12 in RCW 41.26.030, 41.32.010, 41.35.010, 41.37.010, or 41.40.010, at the
13 end of each month for the amount due for that month to the department
14 of retirement systems expense fund and the same shall be paid as are
15 its other obligations. Such computation as to each employer shall be
16 made on a percentage rate of salary established by the department.
17 However, the department may at its discretion establish a system of
18 billing based upon calendar year quarters in which event the said
19 billing shall be at the end of each such quarter.

20 (4) The director may adjust the expense fund contribution rate for
21 each system at any time when necessary to reflect unanticipated costs
22 or savings in administering the department.

23 (5) An employer who fails to submit timely and accurate reports to
24 the department may be assessed an additional fee related to the
25 increased costs incurred by the department in processing the deficient
26 reports. Fees paid under this subsection shall be deposited in the
27 retirement system expense fund.

28 (a) Every six months the department shall determine the amount of
29 an employer's fee by reviewing the timeliness and accuracy of the
30 reports submitted by the employer in the preceding six months. If
31 those reports were not both timely and accurate the department may
32 prospectively assess an additional fee under this subsection.

33 (b) An additional fee assessed by the department under this
34 subsection shall not exceed fifty percent of the standard fee.

35 (c) The department shall adopt rules implementing this section.

36 (6) Expenses other than those under RCW 41.34.060(3) shall be paid
37 pursuant to subsection (1) of this section.

1 (7) During the 2007-2009 and 2009-2011 fiscal (~~(biennium)~~) biennia,
2 the legislature may transfer from the department of retirement systems'
3 expense fund to the state general fund such amounts as reflect the
4 excess fund balance of the fund.

5 **Sec. 924.** RCW 43.08.190 and 2008 c 329 s 912 are each amended to
6 read as follows:

7 There is hereby created a fund within the state treasury to be
8 known as the "state treasurer's service fund." Such fund shall be used
9 solely for the payment of costs and expenses incurred in the operation
10 and administration of the state treasurer's office.

11 Moneys shall be allocated monthly and placed in the state
12 treasurer's service fund equivalent to a maximum of one percent of the
13 trust and treasury average daily cash balances from the earnings
14 generated under the authority of RCW 43.79A.040 and 43.84.080 other
15 than earnings generated from investment of balances in funds and
16 accounts specified in RCW 43.79A.040 or 43.84.092(4). The allocation
17 shall precede the distribution of the remaining earnings as prescribed
18 under RCW 43.79A.040 and 43.84.092. The state treasurer shall
19 establish a uniform allocation rate based on the appropriations for the
20 treasurer's office.

21 During the (~~(2007-2009)~~) 2009-2011 fiscal biennium, the legislature
22 may transfer from the state treasurer's service fund to the state
23 general fund such amounts as reflect the excess fund balance of the
24 fund.

25 **Sec. 925.** RCW 43.09.475 and 2006 c 1 s 5 are each amended to read
26 as follows:

27 The performance audits of government account is hereby created in
28 the custody of the state treasurer. Revenue identified in RCW
29 82.08.020(5) and 82.12.0201 shall be deposited in the account. Money
30 in the account shall be used to fund the performance audits and follow-
31 up performance audits under RCW 43.09.470 and shall be expended by the
32 state auditor in accordance with chapter 1, Laws of 2006. Only the
33 state auditor or the state auditor's designee may authorize
34 expenditures from the account. The account is subject to allotment
35 procedures under chapter 43.88 RCW, but an appropriation is not
36 required for expenditures. During the 2009-2011 fiscal biennium, the

1 legislature may transfer from the performance audits of government
2 account to the state general fund such amounts as deemed to be
3 appropriate or necessary. In addition, during the 2009-2011 fiscal
4 biennium, the legislature may appropriate moneys from the performance
5 audits of government account for governmental management, evaluation,
6 accountability, and performance audit programs.

7 **Sec. 926.** RCW 43.10.180 and 2007 c 522 s 951 are each amended to
8 read as follows:

9 (1) The attorney general shall keep such records as are necessary
10 to facilitate proper allocation of costs to funds and agencies served
11 and the director of financial management shall prescribe appropriate
12 accounting procedures to accurately allocate costs to funds and
13 agencies served. Billings shall be adjusted in line with actual costs
14 incurred at intervals not to exceed six months.

15 (2) During the ((2007-2009)) 2009-2011 fiscal biennium, all
16 expenses for administration of the office of the attorney general shall
17 be allocated to and paid from the legal services revolving fund in
18 accordance with accounting procedures prescribed by the director of
19 financial management.

20 **Sec. 927.** RCW 43.19.501 and 2008 c 328 s 6016 are each amended to
21 read as follows:

22 The Thurston county capital facilities account is created in the
23 state treasury. The account is subject to the appropriation and
24 allotment procedures under chapter 43.88 RCW. Moneys in the account
25 may be expended for capital projects in facilities owned and managed by
26 the department of general administration in Thurston county. For the
27 2007-2009 biennium, moneys in the account may be used for predesign
28 identified in section 1037, chapter 328, Laws of 2008.

29 During the 2009-2011 fiscal biennium, the legislature may transfer
30 from the Thurston county capital facilities account to the state
31 general fund such amounts as reflect the excess fund balance of the
32 account.

33 **Sec. 928.** RCW 43.30.720 and 2003 1st sp.s. c 25 s 938 are each
34 amended to read as follows:

35 All receipts from the sale of stock or seed shall be deposited in

1 a state forest nursery revolving fund to be maintained by the
2 department, which is hereby authorized to use all money in said fund
3 for the maintenance of the state tree nursery or the planting of
4 denuded state owned lands.

5 During the ((2003-2005)) 2009-2011 fiscal biennium, the legislature
6 may transfer from the state forest nursery revolving fund to the state
7 general fund such amounts as reflect the excess fund balance of the
8 fund.

9 **Sec. 929.** RCW 43.79.201 and 1995 c 399 s 77 are each amended to
10 read as follows:

11 (1) The charitable, educational, penal and reformatory institutions
12 account is hereby created, in the state treasury, into which account
13 there shall be deposited all moneys arising from the sale, lease or
14 transfer of the land granted by the United States government to the
15 state for charitable, educational, penal and reformatory institutions
16 by section 17 of the enabling act, or otherwise set apart for such
17 institutions, except all moneys arising from the sale, lease, or
18 transfer of that certain one hundred thousand acres of such land
19 assigned for the support of the University of Washington by chapter 91,
20 Laws of 1903 and section 9, chapter 122, Laws of 1893.

21 (2) If feasible, not less than one-half of all income to the
22 charitable, educational, penal, and reformatory institutions account
23 shall be appropriated for the purpose of providing housing, including
24 repair and renovation of state institutions, for persons ((~~who are~~
25 ~~mentally ill, developmentally disabled~~)) with mental illness or
26 developmental disabilities, or youth who are blind, deaf, or otherwise
27 disabled. If moneys are appropriated for community-based housing, the
28 moneys shall be appropriated to the department of community, trade, and
29 economic development for the housing assistance program under chapter
30 43.185 RCW. During the 2009-2011 fiscal biennium, the legislature may
31 transfer from the charitable, educational, penal and reformatory
32 institutions account to the state general fund such amounts as reflect
33 excess fund balance of the fund.

34 **Sec. 930.** RCW 43.79.480 and 2005 c 424 s 12 are each amended to
35 read as follows:

36 (1) Moneys received by the state of Washington in accordance with

1 the settlement of the state's legal action against tobacco product
2 manufacturers, exclusive of costs and attorneys' fees, shall be
3 deposited in the tobacco settlement account created in this section
4 except as these moneys are sold or assigned under chapter 43.340 RCW.

5 (2) The tobacco settlement account is created in the state
6 treasury. Moneys in the tobacco settlement account may only be
7 transferred to the health services account for the purposes set forth
8 in RCW 43.72.900, and to the tobacco prevention and control account for
9 purposes set forth in this section. The legislature shall transfer
10 amounts received as strategic contribution payments as defined in RCW
11 43.350.010 to the life sciences discovery fund created in RCW
12 43.350.070. During the 2009-2011 fiscal biennium, the legislature may
13 transfer less than the entire strategic contribution payments.

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

20 **Sec. 931.** RCW 43.79.460 and 2009 c 4 s 902 are each amended to
21 read as follows:

22 (1) The savings incentive account is created in the custody of the
23 state treasurer. The account shall consist of all moneys appropriated
24 to the account by the legislature. The account is subject to the
25 allotment procedures under chapter 43.88 RCW, but no appropriation is
26 required for expenditures from the account.

27 (2) Within the savings incentive account, the state treasurer may
28 create subaccounts to be credited with incentive savings attributable
29 to individual state agencies, as determined by the office of financial
30 management in consultation with the legislative fiscal committees.
31 Moneys deposited in the subaccounts may be expended only on the
32 authorization of the agency's executive head or designee and only for
33 the purpose of one-time expenditures to improve the quality,
34 efficiency, and effectiveness of services to customers of the state,
35 such as one-time expenditures for employee training, employee
36 incentives, technology improvements, new work processes, or performance

1 measurement. Funds may not be expended from the account to establish
2 new programs or services, expand existing programs or services, or
3 incur ongoing costs that would require future expenditures.

4 (3) For purposes of this section, "incentive savings" means state
5 general fund appropriations that are unspent as of June 30th of a
6 fiscal year, excluding any amounts included in across-the-board
7 reductions under RCW 43.88.110 and excluding unspent appropriations
8 for:

9 (a) Caseload and enrollment in entitlement programs, except to the
10 extent that an agency has clearly demonstrated that efficiencies have
11 been achieved in the administration of the entitlement program.
12 "Entitlement program," as used in this section, includes programs for
13 which specific sums of money are appropriated for pass-through to third
14 parties or other entities;

15 (b) Enrollments in state institutions of higher education;

16 (c) A specific amount contained in a condition or limitation to an
17 appropriation in the biennial appropriations act, if the agency did not
18 achieve the specific purpose or objective of the condition or
19 limitation;

20 (d) Debt service on state obligations; and

21 (e) State retirement system obligations.

22 (4) The office of financial management, after consulting with the
23 legislative fiscal committees, shall report to the treasurer the amount
24 of savings incentives achieved. By December 1, (~~(1998)~~) 2010, and each
25 December 1st thereafter, the office of financial management shall
26 submit a report to the fiscal committees of the legislature on the
27 implementation of this section. The report shall (a) evaluate the
28 impact of this section on agency reversions and end-of-biennium
29 expenditure patterns, and (b) itemize agency expenditures from the
30 savings recovery account. The office of financial management is
31 relieved from having to submit a report by December 1, 2008.

32 (5) For fiscal year 2009, the legislature may transfer from the
33 savings incentive account to the state general fund such amounts as
34 reflect the fund balance of the account attributable to unspent state
35 general fund appropriations for fiscal year 2008.

36 **Sec. 932.** RCW 43.83B.360 and 1991 sp.s. c 13 s 33 are each amended
37 to read as follows:

1 The proceeds from the sale of bonds authorized by RCW 43.83B.300,
2 and 43.83B.355 through 43.83B.375 shall be deposited in the state
3 emergency water projects revolving account, hereby created in the state
4 treasury, and shall be used exclusively for the purposes specified in
5 RCW 43.83B.300, and 43.83B.355 through 43.83B.375 and for the payment
6 of expenses incurred in the issuance and sale of such bonds. During
7 the 2009-2011 fiscal biennium, the legislature may transfer from the
8 state emergency water projects revolving account to the state general
9 fund such amounts as reflect the excess fund balance of the account.

10 **Sec. 933.** RCW 43.135.045 and 2007 c 520 s 6035 and 2007 c 484 s 5
11 are each reenacted and amended to read as follows:

12 (1) The student achievement fund is hereby created in the state
13 treasury.

14 (2) The education construction fund is hereby created in the state
15 treasury.

16 (a) Funds may be appropriated from the education construction fund
17 exclusively for common school construction or higher education
18 construction. During the 2007-2009 fiscal biennium, funds may also be
19 used for higher education facilities preservation and maintenance.
20 During the 2009-2011 fiscal biennium, the legislature may transfer from
21 the education construction fund to the state general fund such amounts
22 as reflect the excess fund balance of the fund.

23 (b) Funds may be appropriated for any other purpose only if
24 approved by a two-thirds vote of each house of the legislature and if
25 approved by a vote of the people at the next general election. An
26 appropriation approved by the people under this subsection shall result
27 in an adjustment to the state expenditure limit only for the fiscal
28 period for which the appropriation is made and shall not affect any
29 subsequent fiscal period.

30 (3) Funds from the student achievement fund shall be appropriated
31 to the superintendent of public instruction strictly for distribution
32 to school districts to meet the provisions set out in the student
33 achievement act. Allocations shall be made on an equal per full-time
34 equivalent student basis to each school district.

35 **Sec. 934.** RCW 43.155.050 and 2008 c 328 s 6002 are each amended to
36 read as follows:

1 (1) The public works assistance account is hereby established in
2 the state treasury. Money may be placed in the public works assistance
3 account from the proceeds of bonds when authorized by the legislature
4 or from any other lawful source. Money in the public works assistance
5 account shall be used to make loans and to give financial guarantees to
6 local governments for public works projects. Moneys in the account may
7 also be appropriated to provide for state match requirements under
8 federal law for projects and activities conducted and financed by the
9 board under the drinking water assistance account. Not more than
10 fifteen percent of the biennial capital budget appropriation to the
11 public works board from this account may be expended or obligated for
12 preconstruction loans, emergency loans, or loans for capital facility
13 planning under this chapter; of this amount, not more than ten percent
14 of the biennial capital budget appropriation may be expended for
15 emergency loans and not more than one percent of the biennial capital
16 budget appropriation may be expended for capital facility planning
17 loans. (~~For the 2007-2009 biennium, moneys in the account may be used~~
18 ~~for grants for projects identified in section 138, chapter 488, Laws of~~
19 ~~2005, for the infrastructure investment system implementation plan~~
20 ~~identified in section 1022, chapter 328, Laws of 2008; for the interest~~
21 ~~rate buy-down pilot program identified in section 1004, chapter 328,~~
22 ~~Laws of 2008; and for the housing assistance, weatherization, and~~
23 ~~affordable housing program identified in section 1005, chapter 328,~~
24 ~~Laws of 2008.)) During the 2009-2011 fiscal biennium, the legislature
25 may transfer from the public works assistance account to the general
26 fund and the city-county assistance account such amounts as reflect the
27 excess fund balance of the account.~~

28 (2) The job development fund is hereby established in the state
29 treasury. (~~Up to fifty million dollars each biennium from the public~~
30 ~~works assistance account may be transferred into the job development~~
31 ~~fund. Money in the job development fund may be used solely for job~~
32 ~~development fund program grants, administrative expenses related to the~~
33 ~~administration of the job development fund program created in RCW~~
34 ~~43.160.230, and for the report prepared by the joint legislative audit~~
35 ~~and review committee pursuant to RCW 44.28.801(2).)) Moneys in the job
36 development fund may be spent only after appropriation. (~~The board~~
37 ~~shall prepare a prioritized list of proposed projects of up to fifty~~
38 ~~million dollars as part of the department's 2007-09 biennial budget~~~~

1 ~~request. The board may provide an additional alternate job development~~
2 ~~fund project list of up to ten million dollars. The legislature may~~
3 ~~remove projects from the list recommended by the board. The~~
4 ~~legislature may not change the prioritization of projects recommended~~
5 ~~for funding by the board, but may add projects from the alternate list~~
6 ~~in order of priority, as long as the total funding does not exceed~~
7 ~~fifty million dollars.))~~

8 (3) This section expires June 30, 2011.

9 **Sec. 935.** RCW 43.215.125 and 2008 c 164 s 2 are each amended to
10 read as follows:

11 (1) ~~((Within existing funds))~~ For the 2009-2011 fiscal biennium, to
12 the extent funds are appropriated for this purpose, the department
13 shall develop a proposal for implementing a statewide Washington head
14 start program. To the extent possible while maintaining quality
15 standards, the proposal should align the state early childhood
16 education and assistance program with federal head start program
17 eligibility criteria, guidelines, performance standards, and
18 methods/processes for ensuring continuous improvement in program
19 quality. In this proposal, the department shall make recommendations
20 that:

21 (a) Identify federal head start program guidelines, performance
22 measures and standards, or other requirements for which state
23 flexibility would be recommended. This shall include an analysis of
24 how state flexibility may impact outcomes for children and how that
25 flexibility might deviate from outcomes associated with the federal
26 standards. Areas to be examined must include, but are not limited to,
27 transportation requirements, service hour configurations, delivery
28 methods, and impact on rural programs;

29 (b) Provide comparative data regarding child performance,
30 readiness, and educational outcomes for Washington's existing head
31 start and early childhood education and assistance programs;

32 (c) Determine the alignment between head start standards and the
33 recommendations of Washington learns;

34 (d) Identify any change in the state early childhood education and
35 assistance program laws that would be required to implement the
36 Washington head start proposal;

1 (e) Identify additional resources needed to meet federal guidelines
2 and standards. Areas to be examined must include, but are not limited
3 to: Per-child funding levels, professional development and training
4 needs, facilities needs, and technical assistance;

5 (f) Identify state early childhood education and assistance
6 programs that do and do not offer full-day, full-year services to
7 children, and what transition steps would be needed for these programs
8 to operate in the same manner as federal head start programs;

9 (g) Provide steps for phasing-in the Washington head start
10 proposal;

11 (h) Include a timeline, strategy, and funding needs to implement a
12 statewide, state-supported early head start program as a component of
13 the Washington head start proposal; and

14 (i) Detail the process the department would take with the regional
15 office of federal head start in identifying any exceptions or waivers
16 needed to provide flexibility and maintain high quality standards.

17 (2) In developing its recommendations for this proposal, the
18 department shall seek, where appropriate and available, training or
19 technical assistance from the appropriate regional office of federal
20 head start in order to maximize nonstate resources that might be
21 available for the consultative work and research involved with
22 developing this proposal. The department also shall consult with and
23 solicit input from:

24 (a) State early childhood education and assistance program
25 providers on Indian reservations and across the state, including
26 providers who operate solely state-supported programs;

27 (b) Tribal governments operating head start programs and early head
28 start programs in the state to ensure that the needs of Indian and
29 Alaskan native children and their families are incorporated into the
30 recommendations of the proposal, especially as they pertain to
31 standards or guidelines around language acquisition, school readiness,
32 availability and need for services among Indian and Alaskan native
33 children and their families, and curriculum development; and

34 (c) Providers operating migrant and seasonal head start programs in
35 the state in order to address the needs of the children of migrant and
36 seasonal farmworker families.

37 (3) The department shall make recommendations on how it would
38 periodically review the standards and guidelines within the Washington

1 head start program, including incorporation of the latest research and
2 information on early childhood development as well as any new
3 innovations that may further improve outcomes to low-income children
4 and their families.

5 (4) The department's recommendations on a Washington head start
6 proposal shall include how the proposal aligns with the department's
7 current statutory duties. The recommendations shall also include any
8 other options that may improve the quality of state-supported early
9 learning programs.

10 (5) The department shall deliver its report to the governor and
11 legislature by December 1, 2009.

12 **Sec. 936.** RCW 43.325.040 and 2007 c 348 s 305 are each amended to
13 read as follows:

14 (1) The energy freedom account is created in the state treasury.
15 All receipts from appropriations made to the account and any loan
16 payments of principal and interest derived from loans made under this
17 chapter must be deposited into the account. Moneys in the account may
18 be spent only after appropriation. Expenditures from the account may
19 be used only for assistance for projects consistent with this chapter
20 or otherwise authorized by the legislature.

21 (2) The green energy incentive account is created in the state
22 treasury as a subaccount of the energy freedom account. All receipts
23 from appropriations made to the green energy incentive account shall be
24 deposited into the account, and may be spent only after appropriation.
25 Expenditures from the account may be used only for:

- 26 (a) Refueling projects awarded under this chapter;
- 27 (b) Pilot projects for plug-in hybrids, including grants provided
28 for the electrification program set forth in RCW 43.325.110; and
- 29 (c) Demonstration projects developed with state universities as
30 defined in RCW 28B.10.016 and local governments that result in the
31 design and building of a hydrogen vehicle fueling station.

32 (3) Any state agency receiving funding from the energy freedom
33 account is prohibited from retaining greater than three percent of any
34 funding provided from the energy freedom account for administrative
35 overhead or other deductions not directly associated with conducting
36 the research, projects, or other end products that the funding is

1 designed to produce unless this provision is waived in writing by the
2 director.

3 (4) Any university, institute, or other entity that is not a state
4 agency receiving funding from the energy freedom account is prohibited
5 from retaining greater than fifteen percent of any funding provided
6 from the energy freedom account for administrative overhead or other
7 deductions not directly associated with conducting the research,
8 projects, or other end products that the funding is designed to
9 produce.

10 (5) Subsections (2) through (4) of this section do not apply to
11 assistance awarded for projects under RCW 43.325.020(3).

12 (6) During the 2009-2011 fiscal biennium, the legislature may
13 transfer from the energy freedom account to the state general fund such
14 amounts as reflect the excess fund balance of the account.

15 **Sec. 937.** RCW 43.330.250 and 2008 c 329 s 914 are each amended to
16 read as follows:

17 (1) The economic development strategic reserve account is created
18 in the state treasury to be used only for the purposes of this section.

19 (2) Only the governor, with the recommendation of the director of
20 the department of community, trade, and economic development and the
21 economic development commission, may authorize expenditures from the
22 account.

23 (3) Expenditures from the account shall be made in an amount
24 sufficient to fund a minimum of one staff position for the economic
25 development commission and to cover any other operational costs of the
26 commission.

27 (4) During the ((2007-2009)) 2009-2011 fiscal biennium, moneys in
28 the account may also be transferred into the state general fund.

29 (5) Expenditures from the account may be made to prevent closure of
30 a business or facility, to prevent relocation of a business or facility
31 in the state to a location outside the state, or to recruit a business
32 or facility to the state. Expenditures may be authorized for:

33 (a) Workforce development;

34 (b) Public infrastructure needed to support or sustain the
35 operations of the business or facility; and

36 (c) Other lawfully provided assistance, including, but not limited
37 to, technical assistance, environmental analysis, relocation

1 assistance, and planning assistance. Funding may be provided for such
2 assistance only when it is in the public interest and may only be
3 provided under a contractual arrangement ensuring that the state will
4 receive appropriate consideration, such as an assurance of job creation
5 or retention.

6 (6) The funds shall not be expended from the account unless:

7 (a) The circumstances are such that time does not permit the
8 director of the department of community, trade, and economic
9 development or the business or facility to secure funding from other
10 state sources;

11 (b) The business or facility produces or will produce significant
12 long-term economic benefits to the state, a region of the state, or a
13 particular community in the state;

14 (c) The business or facility does not require continuing state
15 support;

16 (d) The expenditure will result in new jobs, job retention, or
17 higher incomes for citizens of the state;

18 (e) The expenditure will not supplant private investment; and

19 (f) The expenditure is accompanied by private investment.

20 (7) No more than three million dollars per year may be expended
21 from the account for the purpose of assisting an individual business or
22 facility pursuant to the authority specified in this section.

23 (8) If the account balance in the strategic reserve account exceeds
24 fifteen million dollars at any time, the amount in excess of fifteen
25 million dollars shall be transferred to the education construction
26 account.

27 **Sec. 938.** RCW 46.09.170 and 2007 c 522 s 953 and 2007 c 241 s 16
28 are each reenacted and amended to read as follows:

29 (1) From time to time, but at least once each year, the state
30 treasurer shall refund from the motor vehicle fund one percent of the
31 motor vehicle fuel tax revenues collected under chapter 82.36 RCW,
32 based on a tax rate of: (a) Nineteen cents per gallon of motor vehicle
33 fuel from July 1, 2003, through June 30, 2005; (b) twenty cents per
34 gallon of motor vehicle fuel from July 1, 2005, through June 30, 2007;
35 (c) twenty-one cents per gallon of motor vehicle fuel from July 1,
36 2007, through June 30, 2009; (d) twenty-two cents per gallon of motor
37 vehicle fuel from July 1, 2009, through June 30, 2011; and (e) twenty-

1 three cents per gallon of motor vehicle fuel beginning July 1, 2011,
2 and thereafter, less proper deductions for refunds and costs of
3 collection as provided in RCW 46.68.090.

4 (2) The treasurer shall place these funds in the general fund as
5 follows:

6 (a) Thirty-six percent shall be credited to the ORV and nonhighway
7 vehicle account and administered by the department of natural resources
8 solely for acquisition, planning, development, maintenance, and
9 management of ORV, nonmotorized, and nonhighway road recreation
10 facilities, and information programs and maintenance of nonhighway
11 roads;

12 (b) Three and one-half percent shall be credited to the ORV and
13 nonhighway vehicle account and administered by the department of fish
14 and wildlife solely for the acquisition, planning, development,
15 maintenance, and management of ORV, nonmotorized, and nonhighway road
16 recreation facilities and the maintenance of nonhighway roads;

17 (c) Two percent shall be credited to the ORV and nonhighway vehicle
18 account and administered by the parks and recreation commission solely
19 for the acquisition, planning, development, maintenance, and management
20 of ORV, nonmotorized, and nonhighway road recreation facilities; and

21 (d) Fifty-eight and one-half percent shall be credited to the
22 nonhighway and off-road vehicle activities program account to be
23 administered by the board for planning, acquisition, development,
24 maintenance, and management of ORV, nonmotorized, and nonhighway road
25 recreation facilities and for education, information, and law
26 enforcement programs. The funds under this subsection shall be
27 expended in accordance with the following limitations:

28 (i) Not more than thirty percent may be expended for education,
29 information, and law enforcement programs under this chapter;

30 (ii) Not less than seventy percent may be expended for ORV,
31 nonmotorized, and nonhighway road recreation facilities. Except as
32 provided in (d)(iii) of this subsection, of this amount:

33 (A) Not less than thirty percent, together with the funds the board
34 receives under RCW 46.09.110, may be expended for ORV recreation
35 facilities;

36 (B) Not less than thirty percent may be expended for nonmotorized
37 recreation facilities. Funds expended under this subsection

1 (2)(d)(ii)(B) shall be known as Ira Spring outdoor recreation
2 facilities funds; and

3 (C) Not less than thirty percent may be expended for nonhighway
4 road recreation facilities;

5 (iii) The board may waive the minimum percentage cited in (d)(ii)
6 of this subsection due to insufficient requests for funds or projects
7 that score low in the board's project evaluation. Funds remaining
8 after such a waiver must be allocated in accordance with board policy.

9 (3) On a yearly basis an agency may not, except as provided in RCW
10 46.09.110, expend more than ten percent of the funds it receives under
11 this chapter for general administration expenses incurred in carrying
12 out this chapter.

13 (4) During the ~~((2007-09))~~ 2009-2011 fiscal biennium, the
14 legislature may appropriate such amounts as reflect the excess fund
15 balance in the NOVA account to the department of natural resources
16 ~~((for planning and designing))~~ to install consistent off-road vehicle
17 signage at department-managed recreation sites, and ~~((for planning))~~ to
18 implement the recreation opportunities on department-managed lands in
19 the Reiter block and Ahtanum state forest, and to the state parks and
20 recreation commission for maintenance and operation of parks and to
21 improve accessibility for boaters and off-road vehicle users. This
22 appropriation is not required to follow the specific distribution
23 specified in subsection (2) of this section.

24 **Sec. 939.** RCW 46.66.080 and 2007 c 199 s 27 are each amended to
25 read as follows:

26 (1) The Washington auto theft prevention authority account is
27 created in the state treasury, subject to appropriation. All revenues
28 from the traffic infraction surcharge in RCW 46.63.110(7)(b) and all
29 receipts from gifts, grants, bequests, devises, or other funds from
30 public and private sources to support the activities of the auto theft
31 prevention authority must be deposited into the account. Expenditures
32 from the account may be used only for activities relating to motor
33 vehicle theft, including education, prevention, law enforcement,
34 investigation, prosecution, and confinement. During the 2009-2011
35 fiscal biennium, the legislature may appropriate moneys from the
36 Washington auto theft prevention authority account for criminal justice
37 purposes.

1 (2) The authority shall allocate moneys appropriated from the
2 account to public agencies for the purpose of establishing,
3 maintaining, and supporting programs that are designed to prevent motor
4 vehicle theft, including:

5 (a) Financial support to prosecution agencies to increase the
6 effectiveness of motor vehicle theft prosecution;

7 (b) Financial support to a unit of local government or a team
8 consisting of units of local governments to increase the effectiveness
9 of motor vehicle theft enforcement;

10 (c) Financial support for the procurement of equipment and
11 technologies for use by law enforcement agencies for the purpose of
12 enforcing motor vehicle theft laws; and

13 (d) Financial support for programs that are designed to educate and
14 assist the public in the prevention of motor vehicle theft.

15 (3) The costs of administration shall not exceed ten percent of the
16 moneys in the account in any one year so that the greatest possible
17 portion of the moneys available to the authority is expended on
18 combating motor vehicle theft.

19 (4) Prior to awarding any moneys from the Washington auto theft
20 prevention authority account for motor vehicle theft enforcement, the
21 auto theft prevention authority must verify that the financial award
22 includes sufficient funding to cover proposed activities, which
23 include, but are not limited to: (a) State, municipal, and county
24 offender and juvenile confinement costs; (b) administration costs; (c)
25 law enforcement costs; (d) prosecutor costs; and (e) court costs, with
26 a priority being given to ensuring that sufficient funding is available
27 to cover state, municipal, and county offender and juvenile confinement
28 costs.

29 (5) Moneys expended from the Washington auto theft prevention
30 authority account under subsection (2) of this section shall be used to
31 supplement, not supplant, other moneys that are available for motor
32 vehicle theft prevention.

33 (6) Grants provided under subsection (2) of this section constitute
34 reimbursement for purposes of RCW 43.135.060(1).

35 **Sec. 940.** RCW 50.16.010 and 2009 c 4 s 906 are each amended to
36 read as follows:

37 (1) There shall be maintained as special funds, separate and apart

1 from all public moneys or funds of this state an unemployment
2 compensation fund, an administrative contingency fund, and a federal
3 interest payment fund, which shall be administered by the commissioner
4 exclusively for the purposes of this title, and to which RCW 43.01.050
5 shall not be applicable.

6 (2)(a) The unemployment compensation fund shall consist of:

7 (i) All contributions collected under RCW 50.24.010 and payments in
8 lieu of contributions collected pursuant to the provisions of this
9 title;

10 (ii) Any property or securities acquired through the use of moneys
11 belonging to the fund;

12 (iii) All earnings of such property or securities;

13 (iv) Any moneys received from the federal unemployment account in
14 the unemployment trust fund in accordance with Title XII of the social
15 security act, as amended;

16 (v) All money recovered on official bonds for losses sustained by
17 the fund;

18 (vi) All money credited to this state's account in the unemployment
19 trust fund pursuant to section 903 of the social security act, as
20 amended;

21 (vii) All money received from the federal government as
22 reimbursement pursuant to section 204 of the federal-state extended
23 compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304); and

24 (viii) All moneys received for the fund from any other source.

25 (b) All moneys in the unemployment compensation fund shall be
26 commingled and undivided.

27 (3)(a) Except as provided in (b) of this subsection, the
28 administrative contingency fund shall consist of:

29 (i) All interest on delinquent contributions collected pursuant to
30 this title;

31 (ii) All fines and penalties collected pursuant to the provisions
32 of this title;

33 (iii) All sums recovered on official bonds for losses sustained by
34 the fund; and

35 (iv) Revenue received under RCW 50.24.014.

36 (b) All fees, fines, forfeitures, and penalties collected or
37 assessed by a district court because of the violation of this title or

1 rules adopted under this title shall be remitted as provided in chapter
2 3.62 RCW.

3 (c) During the 2007-2009 biennium, moneys available in the
4 administrative contingency fund, other than money in the special
5 account created under RCW 50.24.014(1)(a), shall be expended as
6 appropriated by the legislature for the (i) cost of the job skills or
7 worker retraining programs at the community and technical colleges and
8 administrative costs at the state board for community and technical
9 colleges, and (ii) reemployment services such as business and project
10 development assistance, local economic development capacity building,
11 and local economic development financial assistance at the department
12 of community, trade, and economic development, and the remaining
13 appropriation upon the direction of the commissioner, with the approval
14 of the governor, whenever it appears to him or her that such
15 expenditure is necessary solely for:

16 (i) The proper administration of this title and that insufficient
17 federal funds are available for the specific purpose to which such
18 expenditure is to be made, provided, the moneys are not substituted for
19 appropriations from federal funds which, in the absence of such moneys,
20 would be made available.

21 (ii) The proper administration of this title for which purpose
22 appropriations from federal funds have been requested but not yet
23 received, provided, the administrative contingency fund will be
24 reimbursed upon receipt of the requested federal appropriation.

25 (iii) The proper administration of this title for which compliance
26 and audit issues have been identified that establish federal claims
27 requiring the expenditure of state resources in resolution. Claims
28 must be resolved in the following priority: First priority is to
29 provide services to eligible participants within the state; second
30 priority is to provide substitute services or program support; and last
31 priority is the direct payment of funds to the federal government.

32 (d) During the 2009-11 biennium, moneys available in the
33 administrative contingency fund, other than money in the special
34 account created under RCW 50.24.014(1)(a), shall be expended by the
35 department of social and human services as appropriated by the
36 legislature for employment and training services and programs in the
37 WorkFirst program, for the administrative costs of state agencies
38 participating in the WorkFirst program, and the remaining appropriation

1 upon the direction of the commissioner, with the approval of the
2 governor, whenever it appears to him or her that such expenditure is
3 necessary solely for:

4 (i) The proper administration of this title and that insufficient
5 federal funds are available for the specific purpose to which such
6 expenditure is to be made, provided, the moneys are not substituted for
7 appropriations from federal funds which, in the absence of such moneys,
8 would be made available.

9 (ii) The proper administration of this title for which purpose
10 appropriations from federal funds have been requested but not yet
11 received, provided, the administrative contingency fund will be
12 reimbursed upon receipt of the requested federal appropriation.

13 (iii) The proper administration of this title for which compliance
14 and audit issues have been identified that establish federal claims
15 requiring the expenditure of state resources in resolution. Claims
16 must be resolved in the following priority: First priority is to
17 provide services to eligible participants within the state; second
18 priority is to provide substitute services or program support; and last
19 priority is the direct payment of funds to the federal government.

20 (4) Money in the special account created under RCW 50.24.014(1)(a)
21 may only be expended, after appropriation, for the purposes specified
22 in this section and RCW 50.62.010, 50.62.020, 50.62.030, 50.24.014,
23 50.44.053, and 50.22.010.

24 **Sec. 941.** RCW 66.08.170 and 2002 c 371 s 917 are each amended to
25 read as follows:

26 There shall be a fund, known as the "liquor revolving fund", which
27 shall consist of all license fees, permit fees, penalties, forfeitures,
28 and all other moneys, income, or revenue received by the board. The
29 state treasurer shall be custodian of the fund. All moneys received by
30 the board or any employee thereof, except for change funds and an
31 amount of petty cash as fixed by the board within the authority of law
32 shall be deposited each day in a depository approved by the state
33 treasurer and transferred to the state treasurer to be credited to the
34 liquor revolving fund. During the ~~((2001-2003))~~ 2009-2011 fiscal
35 biennium, the legislature may transfer funds from the liquor revolving
36 account to the state general fund ~~((such amounts as reflect the excess~~
37 ~~fund balance of the fund and reductions made by the 2002 supplemental~~

1 ~~appropriations act for administrative efficiencies and savings)) and~~
2 may direct an additional amount of liquor profits to be distributed to
3 local governments. Neither the transfer of funds nor the additional
4 distribution of liquor profits to local governments during the 2009-
5 2011 fiscal biennium may reduce the excess fund distributions that
6 otherwise would occur under RCW 66.08.190. Disbursements from the
7 revolving fund shall be on authorization of the board or a duly
8 authorized representative thereof. In order to maintain an effective
9 expenditure and revenue control the liquor revolving fund shall be
10 subject in all respects to chapter 43.88 RCW but no appropriation shall
11 be required to permit expenditures and payment of obligations from such
12 fund.

13 **Sec. 942.** RCW 67.40.040 and 2008 c 329 s 917 and 2008 c 328 s 6011
14 are each reenacted and amended to read as follows:

15 (1) The proceeds from the sale of the bonds authorized in RCW
16 67.40.030, proceeds of the taxes imposed under RCW 67.40.090 and
17 67.40.130, and all other moneys received by the state convention and
18 trade center from any public or private source which are intended to
19 fund the acquisition, design, construction, expansion, exterior cleanup
20 and repair of the Eagles building, conversion of various retail and
21 other space to meeting rooms, purchase of the land and building known
22 as the McKay Parcel, development of low-income housing, or renovation
23 of the center, and those expenditures authorized under RCW 67.40.170
24 shall be deposited in the state convention and trade center account
25 hereby created in the state treasury and in such subaccounts as are
26 deemed appropriate by the directors of the corporation.

27 (2) Moneys in the account, including unanticipated revenues under
28 RCW 43.79.270, shall be used exclusively for the following purposes in
29 the following priority:

30 (a) For reimbursement of the state general fund under RCW
31 67.40.060;

32 (b) After appropriation by statute:

33 (i) For payment of expenses incurred in the issuance and sale of
34 the bonds issued under RCW 67.40.030;

35 (ii) For expenditures authorized in RCW 67.40.170, and during the
36 ~~((2007-2009))~~ 2009-2011 fiscal biennium, the legislature may transfer
37 from the state convention and trade center account ~~((to the Washington~~

1 ~~housing trust account such amounts as reflect the excess fund balance~~
2 ~~in the account; and during the 2007-2009 biennium, the legislature may~~
3 ~~transfer from the state convention and trade center account))~~ to the
4 general fund such amounts as reflect the excess fund balance in the
5 account;

6 (iii) For acquisition, design, and construction of the state
7 convention and trade center;

8 (iv) For debt service for the acquisition, design, and construction
9 and retrofit of the museum of history and industry museum property or
10 other future expansions of the convention center as approved by the
11 legislature; and

12 (v) For reimbursement of any expenditures from the state general
13 fund in support of the state convention and trade center; and

14 (c) For transfer to the state convention and trade center
15 operations account.

16 (3) The corporation shall identify with specificity those
17 facilities of the state convention and trade center that are to be
18 financed with proceeds of general obligation bonds, the interest on
19 which is intended to be excluded from gross income for federal income
20 tax purposes. The corporation shall not permit the extent or manner of
21 private business use of those bond-financed facilities to be
22 inconsistent with treatment of such bonds as governmental bonds under
23 applicable provisions of the Internal Revenue Code of 1986, as amended.

24 (4) In order to ensure consistent treatment of bonds authorized
25 under RCW 67.40.030 with applicable provisions of the Internal Revenue
26 Code of 1986, as amended, and notwithstanding RCW 43.84.092, investment
27 earnings on bond proceeds deposited in the state convention and trade
28 center account in the state treasury shall be retained in the account,
29 and shall be expended by the corporation for the purposes authorized
30 under chapter 386, Laws of 1995 and in a manner consistent with
31 applicable provisions of the Internal Revenue Code of 1986, as amended.

32 (5) Subject to the conditions in subsection (6) of this section,
33 starting in fiscal year 2008, and except for the 2009-2011 fiscal
34 biennium in which no transfers shall be made, the state treasurer shall
35 transfer:

36 (a) The sum of four million dollars, or as much as may be available
37 pursuant to conditions set forth in this section, from the state

1 convention and trade center account to the tourism enterprise account,
2 with the maximum transfer being four million dollars per fiscal year;
3 and

4 (b) The sum of five hundred thousand dollars, or as much as may be
5 available pursuant to conditions set forth in this section, from the
6 state convention and trade center account to the tourism development
7 and promotion account, with the maximum transfer being five hundred
8 thousand dollars per fiscal year.

9 (6)(a) Funds required for debt service payments and reserves for
10 bonds issued under RCW 67.40.030; for debt service authorized under RCW
11 67.40.170; and for the issuance and sale of financial instruments
12 associated with the acquisition, design, construction, and retrofit of
13 the museum of history and industry museum property or for other future
14 expansions of the center, as approved by the legislature, shall be
15 maintained within the state convention and trade center account.

16 (b) Except for during the 2009-2011 fiscal biennium, during which
17 no reserve shall be retained, no less than six million one hundred
18 fifty thousand dollars per year shall be retained in the state
19 convention and trade center account for funding capital maintenance as
20 required by the center's long-term capital plan, facility enhancements,
21 unanticipated replacements, and operating reserves for the convention
22 center operation. This amount shall be escalated annually as follows:

23 (i) Four percent for annual inflation for capital maintenance,
24 repairs, and replacement;

25 (ii) An additional two percent for enhancement to the facility; and

26 (iii) An additional three percent for growth in expenditure due to
27 aging of the facility and the need to maintain an operating reserve.

28 (c) Sufficient funds shall be reserved within the state convention
29 and trade center account to fund operating appropriations for the
30 annual operation of the convention center.

31 **Sec. 943.** RCW 67.70.190 and 2005 c 427 s 2 are each amended to
32 read as follows:

33 Unclaimed prizes shall be retained in the state lottery account for
34 the person entitled thereto for one hundred eighty days after the
35 drawing in which the prize is won, or after the official end of the
36 game for instant prizes. If no claim is made for the prize within this
37 time, all rights to the prize shall be extinguished, and the prize

1 shall be retained in the state lottery fund for further use as prizes,
2 except that one-third of all unclaimed prize money shall be deposited
3 in the economic development strategic reserve account created in RCW
4 43.330.250.

5 During the 2009-2011 fiscal biennium, all unclaimed prize money
6 revenue retained in the state lottery fund in excess of three million
7 dollars each fiscal year, after distribution to the economic
8 development strategic reserve account, shall be deposited into the
9 state general fund. In addition, on July 1, 2009, June 30, 2010, and
10 June 30, 2011, all unclaimed prize money retained in the state lottery
11 fund in excess of three million dollars shall be deposited into the
12 state general fund.

13 **Sec. 944.** RCW 70.93.180 and 2005 c 518 s 939 are each amended to
14 read as follows:

15 (1) There is hereby created an account within the state treasury to
16 be known as the "waste reduction, recycling, and litter control
17 account". Moneys in the account may be spent only after appropriation.
18 Expenditures from the waste reduction, recycling, and litter control
19 account shall be used as follows:

20 (a) Fifty percent to the department of ecology, for use by the
21 departments of ecology, natural resources, revenue, transportation, and
22 corrections, and the parks and recreation commission, for use in litter
23 collection programs, to be distributed under RCW 70.93.220. The amount
24 to the department of ecology shall also be used for a central
25 coordination function for litter control efforts statewide, for the
26 biennial litter survey under RCW 70.93.200(8), and for statewide public
27 awareness programs under RCW 70.93.200(7). The amount to the
28 department shall also be used to defray the costs of administering the
29 funding, coordination, and oversight of local government programs for
30 waste reduction, litter control, and recycling, so that local
31 governments can apply one hundred percent of their funding to achieving
32 program goals. The amount to the department of revenue shall be used
33 to enforce compliance with the litter tax imposed in chapter 82.19 RCW;

34 (b) Twenty percent to the department for local government funding
35 programs for waste reduction, litter control, and recycling activities
36 by cities and counties under RCW 70.93.250, to be administered by the
37 department of ecology; and

1 (c) Thirty percent to the department of ecology for waste reduction
2 and recycling efforts.

3 (2) All taxes imposed in RCW 82.19.010 and fines and bail
4 forfeitures collected or received pursuant to this chapter shall be
5 deposited in the waste reduction, recycling, and litter control account
6 and used for the programs under subsection (1) of this section.

7 (3) Not less than five percent and no more than ten percent of the
8 amount appropriated into the waste reduction, recycling, and litter
9 control account every biennium shall be reserved for capital needs,
10 including the purchase of vehicles for transporting crews and for
11 collecting litter and solid waste. Capital funds shall be distributed
12 among state agencies and local governments according to the same
13 criteria provided in RCW 70.93.220 for the remainder of the funds, so
14 that the most effective waste reduction, litter control, and recycling
15 programs receive the most funding. The intent of this subsection is to
16 provide funds for the purchase of equipment that will enable the
17 department to account for the greatest return on investment in terms of
18 reaching a zero litter goal.

19 (4) During the ((2005-2007)) 2009-2011 fiscal biennium, the
20 legislature may transfer from the waste reduction, recycling, and
21 litter control account to the state general fund such amounts as
22 reflect the excess fund balance of the account. For purposes of
23 subsection (1) of this section, this transfer shall be treated as an
24 expenditure for litter collection.

25 **Sec. 945.** RCW 70.105D.070 and 2008 c 329 s 921, 2008 c 329 s 920,
26 2008 c 329 s 919, and 2008 c 328 s 6009 are each reenacted and amended
27 to read as follows:

28 (1) The state toxics control account and the local toxics control
29 account are hereby created in the state treasury.

30 (2) The following moneys shall be deposited into the state toxics
31 control account: (a) Those revenues which are raised by the tax
32 imposed under RCW 82.21.030 and which are attributable to that portion
33 of the rate equal to thirty-three one-hundredths of one percent; (b)
34 the costs of remedial actions recovered under this chapter or chapter
35 70.105A RCW; (c) penalties collected or recovered under this chapter;
36 and (d) any other money appropriated or transferred to the account by

1 the legislature. Moneys in the account may be used only to carry out
2 the purposes of this chapter, including but not limited to the
3 following activities:

4 (i) The state's responsibility for hazardous waste planning,
5 management, regulation, enforcement, technical assistance, and public
6 education required under chapter 70.105 RCW;

7 (ii) The state's responsibility for solid waste planning,
8 management, regulation, enforcement, technical assistance, and public
9 education required under chapter 70.95 RCW;

10 (iii) The hazardous waste cleanup program required under this
11 chapter;

12 (iv) State matching funds required under the federal cleanup law;

13 (v) Financial assistance for local programs in accordance with
14 chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

15 (vi) State government programs for the safe reduction, recycling,
16 or disposal of hazardous wastes from households, small businesses, and
17 agriculture;

18 (vii) Hazardous materials emergency response training;

19 (viii) Water and environmental health protection and monitoring
20 programs;

21 (ix) Programs authorized under chapter 70.146 RCW;

22 (x) A public participation program, including regional citizen
23 advisory committees;

24 (xi) Public funding to assist potentially liable persons to pay for
25 the costs of remedial action in compliance with cleanup standards under
26 RCW 70.105D.030(2)(e) but only when the amount and terms of such
27 funding are established under a settlement agreement under RCW
28 70.105D.040(4) and when the director has found that the funding will
29 achieve both (A) a substantially more expeditious or enhanced cleanup
30 than would otherwise occur, and (B) the prevention or mitigation of
31 unfair economic hardship; (~~and~~)

32 (xii) Development and demonstration of alternative management
33 technologies designed to carry out the hazardous waste management
34 priorities of RCW 70.105.150; and

35 (xiii) During the 2009-2011 fiscal biennium, shoreline update
36 technical assistance.

37 (3) The following moneys shall be deposited into the local toxics

1 control account: Those revenues which are raised by the tax imposed
2 under RCW 82.21.030 and which are attributable to that portion of the
3 rate equal to thirty-seven one-hundredths of one percent.

4 (a) Moneys deposited in the local toxics control account shall be
5 used by the department for grants or loans to local governments for the
6 following purposes in descending order of priority:

7 (i) Remedial actions;

8 (ii) Hazardous waste plans and programs under chapter 70.105 RCW;

9 (iii) Solid waste plans and programs under chapters 70.95, 70.95C,
10 70.95I, and 70.105 RCW;

11 (iv) Funds for a program to assist in the assessment and cleanup of
12 sites of methamphetamine production, but not to be used for the initial
13 containment of such sites, consistent with the responsibilities and
14 intent of RCW 69.50.511; and

15 (v) Cleanup and disposal of hazardous substances from abandoned or
16 derelict vessels, defined for the purposes of this section as vessels
17 that have little or no value and either have no identified owner or
18 have an identified owner lacking financial resources to clean up and
19 dispose of the vessel, that pose a threat to human health or the
20 environment.

21 (b) Funds for plans and programs shall be allocated consistent with
22 the priorities and matching requirements established in chapters
23 70.105, 70.95C, 70.95I, and 70.95 RCW, except that any applicant that
24 is a Puget Sound partner, as defined in RCW 90.71.010, along with any
25 project that is referenced in the action agenda developed by the Puget
26 Sound partnership under RCW 90.71.310, shall, except as conditioned by
27 RCW 70.105D.120, receive priority for any available funding for any
28 grant or funding programs or sources that use a competitive bidding
29 process. During the 2007-2009 fiscal biennium, moneys in the account
30 may also be used for grants to local governments to retrofit public
31 sector diesel equipment and for storm water planning and implementation
32 activities.

33 ~~(c) ((Funds may also be appropriated to the department of health to
34 implement programs to reduce testing requirements under the federal
35 safe drinking water act for public water systems. The department of
36 health shall reimburse the account from fees assessed under RCW
37 70.119A.115 by June 30, 1995.~~

1 ~~(d))~~) To expedite cleanups throughout the state, the department
2 shall partner with local communities and liable parties for cleanups.
3 The department is authorized to use the following additional strategies
4 in order to ensure a healthful environment for future generations:

5 (i) The director may alter grant-matching requirements to create
6 incentives for local governments to expedite cleanups when one of the
7 following conditions exists:

8 (A) Funding would prevent or mitigate unfair economic hardship
9 imposed by the clean-up liability;

10 (B) Funding would create new substantial economic development,
11 public recreational, or habitat restoration opportunities that would
12 not otherwise occur; or

13 (C) Funding would create an opportunity for acquisition and
14 redevelopment of vacant, orphaned, or abandoned property under RCW
15 70.105D.040(5) that would not otherwise occur;

16 (ii) The use of outside contracts to conduct necessary studies;

17 (iii) The purchase of remedial action cost-cap insurance, when
18 necessary to expedite multiparty clean-up efforts.

19 (4) Except for unanticipated receipts under RCW 43.79.260 through
20 43.79.282, moneys in the state and local toxics control accounts may be
21 spent only after appropriation by statute.

22 (5) Except during the 2009-2011 fiscal biennium, one percent of the
23 moneys deposited into the state and local toxics control accounts shall
24 be allocated only for public participation grants to persons who may be
25 adversely affected by a release or threatened release of a hazardous
26 substance and to not-for-profit public interest organizations. The
27 primary purpose of these grants is to facilitate the participation by
28 persons and organizations in the investigation and remedying of
29 releases or threatened releases of hazardous substances and to
30 implement the state's solid and hazardous waste management priorities.
31 ~~((However, during the 1999-2001 fiscal biennium, funding may not be
32 granted to entities engaged in lobbying activities, and applicants may
33 not be awarded grants if their cumulative grant awards under this
34 section exceed two hundred thousand dollars.))~~ No grant may exceed
35 sixty thousand dollars. Grants may be renewed annually. Moneys
36 appropriated for public participation from either account which are not
37 expended at the close of any biennium shall revert to the state toxics
38 control account.

1 (6) No moneys deposited into either the state or local toxics
2 control account may be used for solid waste incinerator feasibility
3 studies, construction, maintenance, or operation, or, after January 1,
4 2010, for projects designed to address the restoration of Puget Sound,
5 funded in a competitive grant process, that are in conflict with the
6 action agenda developed by the Puget Sound partnership under RCW
7 90.71.310.

8 (7) The department shall adopt rules for grant or loan issuance and
9 performance.

10 (8) During the ((2007-2009)) 2009-2011 fiscal biennium, the
11 legislature may transfer from the local toxics control account to ((~~the~~
12 ~~state toxics control~~)) either the state general fund or the oil spill
13 prevention account, or both such amounts as reflect excess fund balance
14 in the account.

15 (9) During the ((2007-2009)) 2009-2011 fiscal biennium, the local
16 toxics control account may also be used for a standby rescue tug at
17 Neah Bay, local government shoreline update grants, private and public
18 sector diesel equipment retrofit, and oil spill prevention,
19 preparedness, and response activities.

20 (10) During the 2009-2011 fiscal biennium, the legislature may
21 transfer from the state toxics control account to the state general
22 fund such amounts as reflect the excess fund balance in the account.

23 **Sec. 946.** RCW 71.24.310 and 2006 c 333 s 107 are each amended to
24 read as follows:

25 The legislature finds that administration of chapter 71.05 RCW and
26 this chapter can be most efficiently and effectively implemented as
27 part of the regional support network defined in RCW 71.24.025. For
28 this reason, the legislature intends that the department and the
29 regional support networks shall work together to implement chapter
30 71.05 RCW as follows:

31 (1) By June 1, 2006, regional support networks shall recommend to
32 the department the number of state hospital beds that should be
33 allocated for use by each regional support network. The statewide
34 total allocation shall not exceed the number of state hospital beds
35 offering long-term inpatient care, as defined in this chapter, for
36 which funding is provided in the biennial appropriations act.

1 (2) If there is consensus among the regional support networks
2 regarding the number of state hospital beds that should be allocated
3 for use by each regional support network, the department shall contract
4 with each regional support network accordingly.

5 (3) If there is not consensus among the regional support networks
6 regarding the number of beds that should be allocated for use by each
7 regional support network, the department shall establish by emergency
8 rule the number of state hospital beds that are available for use by
9 each regional support network. The emergency rule shall be effective
10 September 1, 2006. The primary factor used in the allocation shall be
11 the estimated number of (~~acutely and chronically mentally ill~~) adults
12 with acute and chronic mental illness in each regional support network
13 area, based upon population-adjusted incidence and utilization.

14 (4) The allocation formula shall be updated at least every three
15 years to reflect demographic changes, and new evidence regarding the
16 incidence of acute and chronic mental illness and the need for long-
17 term inpatient care. In the updates, the statewide total allocation
18 shall include (a) all state hospital beds offering long-term inpatient
19 care for which funding is provided in the biennial appropriations act;
20 plus (b) the estimated equivalent number of beds or comparable
21 diversion services contracted in accordance with subsection (5) of this
22 section.

23 (5) The department is encouraged to enter performance-based
24 contracts with regional support networks to provide some or all of the
25 regional support network's allocated long-term inpatient treatment
26 capacity in the community, rather than in the state hospital. The
27 performance contracts shall specify the number of patient days of care
28 available for use by the regional support network in the state
29 hospital.

30 (6) If a regional support network uses more state hospital patient
31 days of care than it has been allocated under subsection (3) or (4) of
32 this section, or than it has contracted to use under subsection (5) of
33 this section, whichever is less, it shall reimburse the department for
34 that care. The reimbursement rate per day shall be the hospital's
35 total annual budget for long-term inpatient care, divided by the total
36 patient days of care assumed in development of that budget.

37 (7) One-half of any reimbursements received pursuant to subsection
38 (6) of this section shall be used to support the cost of operating the

1 state hospital and, during calendar year 2009, implementing new
2 services that will enable a regional support network to reduce its
3 utilization of the state hospital. The department shall distribute the
4 remaining half of such reimbursements among regional support networks
5 that have used less than their allocated or contracted patient days of
6 care at that hospital, proportional to the number of patient days of
7 care not used.

8 **Sec. 947.** RCW 74.08A.340 and 2008 c 329 s 922 are each amended to
9 read as follows:

10 The department of social and health services shall operate the
11 Washington WorkFirst program authorized under RCW 74.08A.200 through
12 74.08A.330, 43.330.145, 43.215.545, and 74.25.040, and chapter 74.12
13 RCW within the following constraints:

14 (1) The full amount of the temporary assistance for needy families
15 block grant, plus qualifying state expenditures as appropriated in the
16 biennial operating budget, shall be appropriated to the department each
17 year in the biennial appropriations act to carry out the provisions of
18 the program authorized in RCW 74.08A.200 through 74.08A.330,
19 43.330.145, 43.215.545, and 74.25.040, and chapter 74.12 RCW.

20 (2)(a) The department may expend funds defined in subsection (1) of
21 this section in any manner that will effectively accomplish the outcome
22 measures defined in RCW 74.08A.410 with the following exception:
23 Beginning with the 2007-2009 biennium, funds that constitute the
24 working connections child care program, child care quality programs,
25 and child care licensing functions.

26 (b) Beginning in the 2007-2009 fiscal biennium, the legislature
27 shall appropriate and the departments of early learning and social and
28 health services shall expend funds defined in subsection (1) of this
29 section that constitute the working connections child care program,
30 child care quality programs, and child care licensing functions in a
31 manner that is consistent with the outcome measures defined in RCW
32 74.08A.410.

33 (c) No more than fifteen percent of the amount provided in
34 subsection (1) of this section may be spent for administrative
35 purposes. For the purpose of this subsection, "administrative
36 purposes" does not include expenditures for information technology and
37 computerization needed for tracking and monitoring required by P.L.

1 104-193. The department shall not increase grant levels to recipients
2 of the program authorized in RCW 74.08A.200 through 74.08A.330 and
3 43.330.145 and chapter 74.12 RCW, except as authorized in the omnibus
4 appropriations act for the ((2007-2009)) 2009-2011 biennium.

5 (3) The department shall implement strategies that accomplish the
6 outcome measures identified in RCW 74.08A.410 that are within the
7 funding constraints in this section. Specifically, the department
8 shall implement strategies that will cause the number of cases in the
9 program authorized in RCW 74.08A.200 through 74.08A.330 and 43.330.145
10 and chapter 74.12 RCW to decrease by at least fifteen percent during
11 the 1997-99 biennium and by at least five percent in the subsequent
12 biennium. The department may transfer appropriation authority between
13 funding categories within the economic services program in order to
14 carry out the requirements of this subsection.

15 (4) The department shall monitor expenditures against the
16 appropriation levels provided for in subsection (1) of this section.
17 The department shall quarterly make a determination as to whether
18 expenditure levels will exceed available funding and communicate its
19 finding to the legislature. If the determination indicates that
20 expenditures will exceed funding at the end of the fiscal year, the
21 department shall take all necessary actions to ensure that all services
22 provided under this chapter shall be made available only to the extent
23 of the availability and level of appropriation made by the legislature.

24 **Sec. 948.** RCW 77.32.010 and 2008 c 329 s 923 are each amended to
25 read as follows:

26 (1) Except as otherwise provided in this chapter, a recreational
27 license issued by the director is required to hunt for or take wild
28 animals or wild birds, fish for, take, or harvest fish, shellfish, and
29 seaweed. A recreational fishing or shellfish license is not required
30 for carp, smelt, and crawfish, and a hunting license is not required
31 for bullfrogs.

32 (2) A permit issued by the department is required to park a motor
33 vehicle upon improved department access facilities.

34 (3) During the ((2007-09)) 2009-2011 fiscal biennium to enable the
35 implementation of the pilot project established in section 307, chapter
36 329, Laws of 2008, a fishing permit issued to a nontribal member by the
37 Colville Tribes shall satisfy the license requirements in subsection

1 (1) of this section on the waters of Lake Rufus Woods and on the north
2 shore of Lake Rufus Woods, and a Colville Tribes tribal member
3 identification card shall satisfy the license requirements in
4 subsection (1) of this section on all waters of Lake Rufus Woods.

5 **Sec. 949.** RCW 79.64.040 and 2007 c 522 s 958 are each amended to
6 read as follows:

7 (1) The board shall determine the amount deemed necessary in order
8 to achieve the purposes of this chapter and shall provide by rule for
9 the deduction of this amount from the moneys received from all leases,
10 sales, contracts, licenses, permits, easements, and rights-of-way
11 issued by the department and affecting state lands and aquatic lands,
12 provided that no deduction shall be made from the proceeds from
13 agricultural college lands.

14 (2) Moneys received as deposits from successful bidders, advance
15 payments, and security under RCW 79.15.100, 79.15.080, and 79.11.150
16 prior to December 1, 1981, which have not been subjected to deduction
17 under this section are not subject to deduction under this section.

18 (3) Except as otherwise provided in subsection (5) of this section,
19 the deductions authorized under this section shall not exceed twenty-
20 five percent of the moneys received by the department in connection
21 with any one transaction pertaining to state lands and aquatic lands
22 other than second-class tide and shore lands and the beds of navigable
23 waters, and fifty percent of the moneys received by the department
24 pertaining to second-class tide and shore lands and the beds of
25 navigable waters.

26 (4) In the event that the department sells logs using the contract
27 harvesting process described in RCW 79.15.500 through 79.15.530, the
28 moneys received subject to this section are the net proceeds from the
29 contract harvesting sale.

30 (5) During the ((2007-2009)) 2009-2011 fiscal biennium, the twenty-
31 five percent limitation on deductions set in subsection (3) of this
32 section may be increased up to thirty percent by the board(~~(, provided~~
33 ~~the total amount deducted does not exceed the total appropriations in~~
34 ~~the operating and capital budgets for the fiscal period. At the end of~~
35 ~~the fiscal period, any amounts deducted in excess of the appropriations~~
36 ~~shall be transferred to the appropriate beneficiary distribution~~
37 ~~accounts)).~~

1 **Sec. 950.** RCW 79A.25.080 and 2007 c 241 s 44 are each amended to
2 read as follows:

3 (1) Moneys transferred to the recreation resource account from the
4 marine fuel tax refund account may be used when appropriated by the
5 legislature, as well as any federal or other funds now or hereafter
6 available, to pay the office and necessary administrative and
7 coordinative costs of the recreation and conservation funding board
8 established by RCW 79A.25.110. All moneys so transferred, except those
9 appropriated as aforesaid, shall be divided into two equal shares and
10 shall be used to benefit watercraft recreation in this state as
11 follows:

12 ~~((+1))~~ (a) One share as grants to state agencies for ~~((+a))~~ (i)
13 acquisition of title to, or any interests or rights in, marine
14 recreation land, ~~((+b))~~ (ii) capital improvement and renovation of
15 marine recreation land, including periodic dredging in accordance with
16 subsection ~~((+3))~~ (2) of this section, if needed, to maintain or make
17 the facility more useful, or ~~((+e))~~ (iii) matching funds in any case
18 where federal or other funds are made available on a matching basis for
19 purposes described in (a)(i) or ~~((+b))~~ (ii) of this subsection;

20 ~~((+2))~~ (b) One share as grants to public bodies to help finance
21 ~~((+a))~~ (i) acquisition of title to, or any interests or rights in,
22 marine recreation land, or ~~((+b))~~ (ii) capital improvement and
23 renovation of marine recreation land, including periodic dredging in
24 accordance with subsection ~~((+3))~~ (2) of this section, if needed, to
25 maintain or make the facility more useful. A public body is authorized
26 to use a grant, together with its own contribution, as matching funds
27 in any case where federal or other funds are made available for
28 purposes described in (a)(i) or ~~((+b))~~ (ii) of this subsection. The
29 board may prescribe further terms and conditions for the making of
30 grants in order to carry out the purposes of this chapter.

31 ~~((+3))~~ (2) For the purposes of this section "periodic dredging" is
32 limited to dredging of materials that have been deposited in a channel
33 due to unforeseen events. This dredging should extend the expected
34 usefulness of the facility for at least five years.

35 (3) During the 2009-2011 fiscal biennium, the legislature may
36 appropriate such amounts as reflect the excess fund balance in the
37 recreation resource account to the state parks and recreation
38 commission for maintenance and operation of parks and to improve

1 accessibility for boaters and off-road vehicle users. This
2 appropriation is not required to follow the specific distribution
3 specified in subsection (1)(a) and (b) of this section.

4 **Sec. 951.** RCW 79.105.150 and 2008 c 299 s 28 are each amended to
5 read as follows:

6 (1) After deduction for management costs as provided in RCW
7 79.64.040 and payments to towns under RCW 79.115.150(2), all moneys
8 received by the state from the sale or lease of state-owned aquatic
9 lands and from the sale of valuable material from state-owned aquatic
10 lands shall be deposited in the aquatic lands enhancement account which
11 is hereby created in the state treasury. After appropriation, these
12 funds shall be used solely for aquatic lands enhancement projects; for
13 the purchase, improvement, or protection of aquatic lands for public
14 purposes; for providing and improving access to the lands; and for
15 volunteer cooperative fish and game projects. During the 2009-11
16 fiscal biennium, the legislature may transfer from the aquatic lands
17 enhancement account to the state general fund such amounts as reflect
18 excess fund balance of the account.

19 (2) In providing grants for aquatic lands enhancement projects, the
20 recreation and conservation funding board shall:

21 (a) Require grant recipients to incorporate the environmental
22 benefits of the project into their grant applications;

23 (b) Utilize the statement of environmental benefits, consideration,
24 except as provided in RCW 79.105.610, of whether the applicant is a
25 Puget Sound partner, as defined in RCW 90.71.010, whether a project is
26 referenced in the action agenda developed by the Puget Sound
27 partnership under RCW 90.71.310, and except as otherwise provided in
28 RCW 79.105.630, and effective one calendar year following the
29 development and statewide availability of model evergreen community
30 management plans and ordinances under RCW 35.105.050, whether the
31 applicant is an entity that has been recognized, and what gradation of
32 recognition was received, in the evergreen community recognition
33 program created in RCW 35.105.030 in its prioritization and selection
34 process; and

35 (c) Develop appropriate outcome-focused performance measures to be
36 used both for management and performance assessment of the grants.

1 (3) To the extent possible, the department should coordinate its
2 performance measure system with other natural resource-related agencies
3 as defined in RCW 43.41.270.

4 (4) The department shall consult with affected interest groups in
5 implementing this section.

6 (5) After January 1, 2010, any project designed to address the
7 restoration of Puget Sound may be funded under this chapter only if the
8 project is not in conflict with the action agenda developed by the
9 Puget Sound partnership under RCW 90.71.310.

10 **Sec. 952.** RCW 80.01.080 and 2006 c 3 s 2 are each amended to read
11 as follows:

12 There is created in the state treasury a public service revolving
13 fund. Regulatory fees payable by all types of public service companies
14 shall be deposited to the credit of the public service revolving fund.
15 Except for expenses payable out of the pipeline safety account, all
16 expense of operation of the Washington utilities and transportation
17 commission shall be payable out of the public service revolving fund.

18 During the ((2003-2005)) 2009-2011 fiscal biennium, the legislature
19 may transfer from the public service revolving fund to the state
20 general fund such amounts as reflect the excess fund balance of the
21 fund.

22 ((Due to the extraordinarily high winter energy costs, during the
23 2005-2007 fiscal biennium, no more than seven million six hundred
24 thousand dollars, as appropriated in section 1, chapter 3, Laws of
25 2006, shall be payable out of the public service revolving fund to
26 provide energy assistance to customers in accordance with the
27 low-income energy assistance program.))

28 **Sec. 953.** RCW 86.26.007 and 2005 c 518 s 947 are each amended to
29 read as follows:

30 The flood control assistance account is hereby established in the
31 state treasury. At the beginning of the 2005-2007 fiscal biennium, the
32 state treasurer shall transfer three million dollars from the general
33 fund to the flood control assistance account. Each biennium thereafter
34 the state treasurer shall transfer four million dollars from the
35 general fund to the flood control assistance account, except that
36 during the 2009-2011 fiscal biennium, the state treasurer shall

1 transfer two million dollars from the general fund to the flood control
2 assistance account. Moneys in the flood control assistance account may
3 be spent only after appropriation for purposes specified under this
4 chapter.

5 NEW SECTION. **Sec. 954.** Section 936 of this act expires June 30,
6 2016.

7 NEW SECTION. **Sec. 955.** If any provision of this act or its
8 application to any person or circumstance is held invalid, the
9 remainder of the act or the application of the provision to other
10 persons or circumstances is not affected.

11 NEW SECTION. **Sec. 956.** This act is necessary for the immediate
12 preservation of the public peace, health, or safety, or support of the
13 state government and its existing public institutions, and takes effect
14 immediately.

(End of bill)

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