AN ACT Relating to fiscal matters; amending RCW 2.68.020, 28A.500.030, 28B.76.660, 28B.105.110, 38.52.106, 41.48.060, 41.50.110, 43.08.190, 43.09.475, 43.10.180, 43.19.501, 43.30.720, 43.79.201, 43.79.480, 43.79.460, 43.83B.360, 43.155.050, 43.215.125, 43.325.040, 43.330.250, 46.66.080, 50.16.010, 56.68.170, 67.70.190, 70.93.180, 71.24.310, 74.08A.340, 77.32.010, 79.64.040, 79A.25.080, 79.105.150, 80.01.080, and 86.26.007; reenacting and amending RCW 43.135.045, 46.09.170, 67.40.040, and 70.105D.070; creating new sections; making appropriations; providing expiration dates; and declaring an emergency.

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

NEW SECTION. Sec. 1. (1) A budget is hereby adopted and, subject to the provisions set forth in the following sections, the several amounts specified in parts I through IX of this act, or so much thereof as shall be sufficient to accomplish the purposes designated, are hereby appropriated and authorized to be incurred for salaries, wages, and other expenses of the agencies and offices of the state and for other specified purposes for the fiscal biennium beginning July 1, 2009, and ending June 30, 2011, except as otherwise provided, out of the several funds of the state hereinafter named.
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.
(2) Within the amounts appropriated in this section, the committee shall conduct a review of the effect of risk management practices on tort payouts. This review shall include an analysis of the state's laws, policies, procedures, and practices as they relate to the conduct of post-incident reviews and the impact of such reviews on the state's conduct and liability.

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

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

NEW SECTION. Sec. 104. FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE
Performance Audits of Government Account--State
Appropriation .................. .................. $3,728,000

NEW SECTION. Sec. 105. FOR THE OFFICE OF THE STATE ACTUARY
General Fund--State Appropriation (FY 2010) .................. $200,000
General Fund--State Appropriation (FY 2011) .................. $25,000
Department of Retirement Systems Expense
Account--State Appropriation ................. $3,506,000
TOTAL APPROPRIATION ....................... $3,731,000

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

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

2. $20,000 of the department of retirement systems--state appropriation is provided solely to assist the University of Washington medical center and Harborview medical center with the financial reporting of their postretirement benefits liabilities.

3. $175,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the office of the state actuary to conduct an independent assessment of alternatives for assuring the long-term financial solvency of the guaranteed education tuition program including suspension of the program. In conducting this review, the office may contract for assistance, and shall consult with the higher education coordinating board, the operating budget committees of the legislature, the office of financial management, and the state's public colleges and universities. The office shall report findings, an assessment of the major alternatives, and suggested actions to the governor and to the relevant legislative committees by November 15, 2009.

4. $150,000 of the department of retirement systems expense account--state appropriation is provided solely for the administrative costs associated with implementation of Substitute Senate Bill No. 5332 (administration of the state patrol retirement system). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

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

General Fund--State Appropriation (FY 2010) ............... $8,577,000
General Fund--State Appropriation (FY 2011) ............... $8,519,000
TOTAL APPROPRIATION ................................. $17,096,000
NEW SECTION. Sec. 107. FOR THE STATUTE LAW COMMITTEE

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

NEW SECTION. Sec. 108. FOR THE REDISTRICTING COMMISSION

General Fund--State Appropriation (FY 2011) . . . . . . . . . . . . . . . $630,000

NEW SECTION. Sec. 109. LEGISLATIVE AGENCIES. In order to achieve operating efficiencies within the financial resources available to the legislative branch, the executive rules committee of the house of representatives and the facilities and operations committee of the senate by joint action may transfer funds among the house of representatives, senate, joint legislative audit and review committee, legislative evaluation and accountability program committee, legislative transportation committee, office of the state actuary, joint legislative systems committee, and statute law committee.

NEW SECTION. Sec. 110. FOR THE SUPREME COURT

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

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

NEW SECTION. Sec. 111. FOR THE LAW LIBRARY

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

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

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

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

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

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

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

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

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

General Fund--State Appropriation (FY 2010) ............ $57,512,000
General Fund--State Appropriation (FY 2011) ............ $57,275,000
Judicial Information Systems Account--State Appropriation ........................................ $31,321,000
TOTAL APPROPRIATION .................................. $146,108,000
The appropriations in this section are subject to the following conditions and limitations:

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

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

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

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

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

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

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

FOR THE OFFICE OF PUBLIC DEFENSE
General Fund--State Appropriation (FY 2010) . . . . . . . . . $25,617,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . $25,548,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . $51,165,000

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

NEW SECTION.  Sec. 116. FOR THE OFFICE OF CIVIL LEGAL AID
General Fund--State Appropriation (FY 2010) . . . . . . . . . $9,450,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . $9,448,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . $18,898,000

The appropriations in this section are subject to the following
conditions and limitations:
(1) An amount not to exceed $40,000 of the general fund--state appropriation for fiscal year 2010 and an amount not to exceed $40,000 of the general fund--state appropriation for fiscal year 2011 may be used to provide telephonic legal advice and assistance to otherwise eligible persons who are sixty years of age or older on matters authorized by RCW 2.53.030(2) (a) through (k) regardless of household income or asset level.

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

NEW SECTION. Sec. 117. FOR THE OFFICE OF THE GOVERNOR
General Fund--State Appropriation (FY 2010) .................. $6,270,000
General Fund--State Appropriation (FY 2011) .................. $6,250,000
TOTAL APPROPRIATION ........................................ $12,520,000

NEW SECTION. Sec. 118. FOR THE LIEUTENANT GOVERNOR
General Fund--State Appropriation (FY 2010) .................. $782,000
General Fund--State Appropriation (FY 2011) .................. $798,000
General Fund--Private/Local Appropriation ....................... $90,000
TOTAL APPROPRIATION ........................................ $1,670,000

NEW SECTION. Sec. 119. FOR THE PUBLIC DISCLOSURE COMMISSION
General Fund--State Appropriation (FY 2010) .................. $2,273,000
General Fund--State Appropriation (FY 2011) .................. $2,262,000
TOTAL APPROPRIATION ........................................ $4,535,000

NEW SECTION. Sec. 120. FOR THE SECRETARY OF STATE
General Fund--State Appropriation (FY 2010) .................. $21,446,000
General Fund--State Appropriation (FY 2011) .................. $17,561,000
General Fund--Federal Appropriation ............................. $8,158,000
Archives and Records Management Account--State
  Appropriation .............................................. $8,911,000
Department of Personnel Service Account--State
The appropriations in this section are subject to the following conditions and limitations:

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

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

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

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

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

(i) Attempting to influence the passage or defeat of any legislation by the legislature of the state of Washington, by any
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, lodging, meals, or entertainment to a public officer or employee.
8 (3) The appropriations in this section are based upon savings assumed from the implementation of Senate Bill No. 6122 (election costs).
11 (4) The secretary of state shall not reduce the services provided by the talking book and Braille library below the service level provided in fiscal year 2008.

NEW SECTION.  Sec. 121. FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS
General Fund--State Appropriation (FY 2010) ..................$198,000
General Fund--State Appropriation (FY 2011) ..................$207,000
TOTAL APPROPRIATION ...........................................$405,000

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

NEW SECTION.  Sec. 122. FOR THE COMMISSION ON ASIAN PACIFIC AMERICAN AFFAIRS
General Fund--State Appropriation (FY 2010) ..................$164,000
General Fund--State Appropriation (FY 2011) ..................$151,000
TOTAL APPROPRIATION ...........................................$315,000

NEW SECTION.  Sec. 123. FOR THE STATE TREASURER
State Treasurer's Service Account--State
### Appropriation

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<th>Description</th>
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<td>General Fund--State Appropriation (FY 2010)</td>
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<td>General Fund--State Appropriation (FY 2011)</td>
<td>$738,000</td>
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<tr>
<td>State Auditing Services Revolving</td>
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<td>Account--State Appropriation</td>
<td>$12,480,000</td>
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<td>TOTAL APPROPRIATION</td>
<td>$13,951,000</td>
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</table>

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

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

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

### FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS

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<th>Description</th>
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<td>General Fund--State Appropriation (FY 2010)</td>
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<td>General Fund--State Appropriation (FY 2011)</td>
<td>$224,000</td>
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<td>TOTAL APPROPRIATION</td>
<td>$381,000</td>
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### FOR THE ATTORNEY GENERAL

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<th>Description</th>
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<td>General Fund--State Appropriation (FY 2010)</td>
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<td>General Fund--State Appropriation (FY 2011)</td>
<td>$6,294,000</td>
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<td>General Fund--Federal Appropriation</td>
<td>$4,026,000</td>
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<tr>
<td>New Motor Vehicle Arbitration Account--State</td>
<td>$1,356,000</td>
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</tbody>
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Legal Services Revolving Account--State Appropriation ... $223,974,000
Tobacco Prevention and Control Account--State Appropriation ............... $270,000
TOTAL APPROPRIATION ............... $241,909,000

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

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

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

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

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

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

General Fund--State Appropriation (FY 2010) ............... $793,000
General Fund--State Appropriation (FY 2011) ............... $790,000
NEW SECTION. Sec. 128. FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT

General Fund--State Appropriation (FY 2010) ............... $54,818,000
General Fund--State Appropriation (FY 2011) ............... $55,550,000
General Fund--Federal Appropriation ......................... $369,358,000
General Fund--Private/Local Appropriation ................... $14,714,000
Public Works Assistance Account--State Appropriation ....... $2,461,000
Tourism Development and Promotion Account--State Appropriation ......................... $1,002,000
Drinking Water Assistance Administrative Account--State Appropriation ......................... $439,000
Lead Paint Account--State Appropriation ...................... $18,000
Building Code Council Account--State Appropriation ....... $1,340,000
Home Security Fund Account--State Appropriation ........... $16,726,000
Affordable Housing for All Account--State Appropriation .... $11,900,000
Independent Youth Housing Account--State Appropriation .... $83,000
Financial Fraud and Identity Theft Crimes Investigation and Prosecution Account--State Appropriation ............... $1,166,000
Low-Income Weatherization Assistance Account--State Appropriation ......................... $8,389,000
Manufacturing Innovation and Modernization Account--State Appropriation ......................... $246,000
Community and Economic Development Fee Account--State Appropriation ......................... $1,849,000
Washington Housing Trust Account--State Appropriation .... $14,776,000
Manufactured Housing Account--State Appropriation ........ $1,000
Public Facility Construction Loan Revolving Account--State Appropriation ......................... $760,000
TOTAL APPROPRIATION ......................... $555,596,000

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

(1) $2,520,000 of the general fund--state appropriation for fiscal year 2010 and $2,521,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a contract with the Washington technology center for work essential to the mission of the Washington technology center and conducted in partnership with universities.
(2) Repayments of outstanding loans granted under RCW 43.63A.600, the mortgage and rental assistance program, shall be remitted to the department, including any current revolving account balances. The department shall collect payments on outstanding loans, and deposit them into the state general fund. Repayments of funds owed under the program shall be remitted to the department according to the terms included in the original loan agreements.

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

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

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

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

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

(8) $22,000 of the general fund--state appropriation for fiscal year 2010 and $20,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5138 (integrated climate
change response). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

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

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

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

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

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

(14) $142,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for implementation of Engrossed Substitute
Senate Bill No. 5840 (energy independence). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

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

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

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

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

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

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

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

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

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

(i) A description of the process used by the department for allocating funds;
(ii) The use of funds including, but not limited to, housing vouchers, program services, and housing projects; and
(iii) The criteria used for making funding allocation decisions.

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

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

NEW SECTION.  Sec. 129. FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL
General Fund--State Appropriation (FY 2010) . . . . . . . . . . . $801,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . . $755,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $1,556,000

NEW SECTION.  Sec. 130. FOR THE OFFICE OF FINANCIAL MANAGEMENT
General Fund--State Appropriation (FY 2010) . . . . . . . . . . . $20,427,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . . $19,511,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . $23,610,000
General Fund--Private/Local Appropriation . . . . . . . . . . . . . $1,272,000
State Auditing Services Revolving Account--State Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $25,000
Economic Development Strategic Reserve Account--State Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $280,000
Performance Audits of Government Account--State
Appropriation ....................................... $4,700,000
TOTAL APPROPRIATION ............................. $69,825,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $188,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the implementation of Second Substitute Senate Bill No. 5945 (Washington health partnership plan). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.
(2) $542,000 of the general fund--state appropriation for fiscal year 2010 and $542,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of Engrossed Senate Bill No. 6048 (state's education system). If the bill is not enacted by June 30, 2009, the accounts provided in this subsection shall lapse.
(3) The office of financial management shall conduct a study on alternatives for consolidating the state gambling commission and its activities into an existing state entity to achieve cost savings and consistency in regulation. In conducting the study, the office of financial management shall consult with the legislative fiscal committees. Further, the office of financial management shall establish an advisory group to include, but not be limited to, representatives of affected businesses, state agencies or entities, local governments, and stakeholder groups. The office of financial management shall submit a final report to the governor and the legislative fiscal committees by November 15, 2009.

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

NEW SECTION.  Sec. 132. FOR THE DEPARTMENT OF PERSONNEL
General Fund--State Appropriation (FY 2010) ........ $39,000
General Fund--State Appropriation (FY 2011) ........ $39,000
Department of Personnel Service Account--State
   Appropriation .......................................$22,389,000
Higher Education Personnel Services Account--State
   Appropriation ....................................... $1,722,000
The appropriations in this section are subject to the following conditions and limitations: The department shall coordinate with the governor's office of Indian affairs on providing the government-to-government training sessions for federal, state, local, and tribal government employees. The training sessions shall cover tribal historical perspectives, legal issues, tribal sovereignty, and tribal governments. Costs of the training sessions shall be recouped through a fee charged to the participants of each session. The department shall be responsible for all of the administrative aspects of the training, including the billing and collection of the fees for the training.

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

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

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

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

The appropriation in this section is subject to the following conditions and limitations:
(1) $148,000 of the department of retirement systems--state appropriation is provided solely for the administrative costs associated with implementation of Senate Bill No. 5303 (transferring members of retirement systems). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.
(2) $12,000 of the department of retirement systems--state appropriation is provided solely for the administrative costs associated with implementation of Senate Bill No. 5542 or House Bill No. 1678 (minimum disability benefits). If neither bill is enacted by June 30, 2009, the amount provided in this subsection shall lapse.

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

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

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

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

General Fund--State Appropriation (FY 2010) ...................$107,421,000
General Fund--State Appropriation (FY 2011) ...................$107,731,000
Timber Tax Distribution Account--State Appropriation ........ $5,969,000
Waste Reduction/Recycling/Litter
  Control--State Appropriation ................................. $131,000
Waste Tire Removal Account--State Appropriation .............. $2,000
Real Estate Excise Tax Grant Account--State
  Appropriation .................................................. $1,050,000
State Toxics Control Account--State Appropriation .......... $89,000
Oil Spill Prevention Account--State Appropriation .......... $18,000
  TOTAL APPROPRIATION ...................................... $222,411,000

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

(1) $469,000 of the general fund--state appropriation for fiscal year 2010 and $374,000 of the general fund--state appropriation for
fiscal year 2011 are for the implementation of Substitute Senate Bill No. 5368 (annual property revaluation). If the bill is not enacted by June 30, 2009, the amounts in this subsection shall lapse.

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

NEW SECTION. Sec. 138. FOR THE STATE INVESTMENT BOARD
State Investment Board Expense Account--State Appropriation ................. $29,997,000

The appropriation in this section is subject to the following conditions and limitations:
(1) $2,471,000 of the state investment board expense account--state appropriation is provided solely for development of a risk management information system, with the intent that further expenditures for this project be made only by appropriation.
(2) The state investment board shall include funding for any future salary increases authorized under RCW 43.33A.100 in the agency's budget request submitted in accordance with chapter 43.88 RCW in advance of granting related salary increases. The biennial salary survey required under RCW 43.33A.100 shall also be provided to the office of financial management and to the fiscal committees of the legislature as part of the state investment board's biennial budget submittal, and shall include the total amount of compensation increases proposed, as well as recommended salary ranges.

NEW SECTION. Sec. 139. FOR THE BOARD OF TAX APPEALS
General Fund--State Appropriation (FY 2010) ................. $1,418,000
General Fund--State Appropriation (FY 2011) ................. $1,417,000
TOTAL APPROPRIATION ........................................ $2,835,000

NEW SECTION. Sec. 140. FOR THE MUNICIPAL RESEARCH COUNCIL
County Research Services Account--State Appropriation .......... $940,000
City and Town Research Services--State Appropriation .......... $4,515,000

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NEW SECTION. Sec. 141. FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES
OMWBE Enterprises Account--State Appropriation ................ $3,669,000

NEW SECTION. Sec. 142. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION
General Fund--State Appropriation (FY 2010) ....................... $817,000
General Fund--State Appropriation (FY 2011) ....................... $813,000
General Fund--Federal Appropriation ............................. $5,661,000
General Administration Service Account--State Appropriation .... $36,021,000
TOTAL APPROPRIATION ........................................ $43,312,000

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

NEW SECTION. Sec. 143. FOR THE DEPARTMENT OF INFORMATION SERVICES
General Fund--State Appropriation (FY 2010) ....................... $1,106,000
General Fund--State Appropriation (FY 2011) ....................... $1,105,000
General Fund--Federal Appropriation ............................. $1,502,000
Data Processing Revolving Account--State Appropriation ...... $7,905,000
TOTAL APPROPRIATION ........................................ $11,618,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $100,000 of the general fund--state appropriation for fiscal year 2010, $100,000 of the general fund--state appropriation for fiscal year 2011, and $800,000 of the general fund--federal appropriation are provided solely for the purposes of Engrossed Second Substitute House Bill No. 1701 (high-speed internet), including expenditure for deposit
to the community technology opportunity account. If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

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

NEW SECTION. Sec. 144. FOR THE INSURANCE COMMISSIONER

General Fund--Federal Appropriation .................. $1,952,000
Insurance Commissioners Regulatory Account--State Appropriation .................. $48,572,000
TOTAL APPROPRIATION .................. $50,524,000

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

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

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

(3) $551,000 of the insurance commissioner's regulatory account appropriation is provided solely to implement Second Substitute Senate Bill No. 5346 (health care administration simplification). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.
NEW SECTION.  Sec. 145. FOR THE BOARD OF ACCOUNTANCY
Certified Public Accountants' Account--State Appropriation ............... $3,045,000

NEW SECTION.  Sec. 146. FOR THE FORENSIC INVESTIGATION COUNCIL
Death Investigations Account--State Appropriation ............ $280,000
The appropriation in this section is subject to the following conditions and limitations: $250,000 of the death investigation account appropriation is provided solely for providing financial assistance to local jurisdictions in multiple death investigations. The forensic investigation council shall develop criteria for awarding these funds for multiple death investigations involving an unanticipated, extraordinary, and catastrophic event or those involving multiple jurisdictions.

NEW SECTION.  Sec. 147. FOR THE HORSE RACING COMMISSION
Horse Racing Commission Operating Account--State Appropriation ........ $5,137,000
The appropriation in this section is subject to the following conditions and limitations: Pursuant to RCW 43.135.055, the commission is authorized to increase licensing fees during the 2009-2011 fiscal biennium as necessary to support the appropriation in this section.

NEW SECTION.  Sec. 148. FOR THE LIQUOR CONTROL BOARD
Liquor Control Board Construction and Maintenance Account--State Appropriation ........ $8,817,000
Liquor Revolving Account--State Appropriation ........ $202,097,000
TOTAL APPROPRIATION ........ $210,914,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $1,306,000 of the liquor revolving account--state appropriation is provided solely for the liquor control board to open five new state stores.
(2) $40,000 of the liquor revolving account--state appropriation is provided solely for the liquor control board to open ten new contract stores.
(3) $3,059,000 of the liquor revolving account--state appropriation is provided solely for the liquor control board to increase state and local revenues from new retail strategies including opening nine state stores on Sunday, opening state liquor stores on seven holidays, opening six mall locations during the holiday season, and increasing lottery sales.

NEW SECTION. Sec. 149. FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS
Volunteer Firefighters' and Reserve Officers' Administrative Account--State Appropriation . . . . . . $1,031,000

NEW SECTION. Sec. 150. FOR THE UTILITIES AND TRANSPORTATION COMMISSION
Public Service Revolving Account--State Appropriation . . . . $31,652,000
Pipeline Safety Account--State Appropriation . . . . . . . . $3,221,000
Pipeline Safety Account--Federal Appropriation . . . . . . . . $1,554,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . $36,427,000

NEW SECTION. Sec. 151. FOR THE MILITARY DEPARTMENT
General Fund--State Appropriation (FY 2010) . . . . . . . . $10,297,000
General Fund--State Appropriation (FY 2011) . . . . . . . . $10,311,000
General Fund--Federal Appropriation . . . . . . . . . . . . $149,422,000
Enhanced 911 Account--State Appropriation . . . . . . . . . $39,624,000
Disaster Response Account--State Appropriation . . . . . . $28,243,000
Disaster Response Account--Federal Appropriation . . . . $91,263,000
Military Department Rent and Lease Account--State Appropriation . . . . . . . . . . . . . . . . . . . . $615,000
Military Department Active State Service Account--Federal Appropriation . . . . . . . . . . . . . . . . . . . . $200,000
Worker and Community Right-to-Know Account--State Appropriation . . . . . . . . . . . . . . . . . . . . $347,000
Nisqually Earthquake Account--State Appropriation . . . . $144,000
Nisqually Earthquake Account--Federal Appropriation . . . $856,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . $331,322,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $28,243,000 of the disaster response account--state appropriation and $91,263,000 of the disaster response account--federal...
appropriation may be spent only on disasters declared by the governor and with the approval of the office of financial management. The military department shall submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on the disaster response account, including: (a) The amount and type of deposits into the account; (b) the current available fund balance as of the reporting date; and (c) the projected fund balance at the end of the 2009-2011 biennium based on current revenue and expenditure patterns.

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

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

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

(b) The department shall submit a quarterly report to the office of financial management and the legislative fiscal committees detailing the governor's domestic security advisory group recommendations; homeland security revenues and expenditures, including estimates of
total federal funding for the state; incremental changes from the
previous estimate, planned and actual homeland security expenditures by
the state and local governments with this federal funding; and matching
or accompanying state or local expenditures; and
(c) The department shall submit a report by December 1st of each
year to the office of financial management and the legislative fiscal
committees detailing homeland security revenues and expenditures for
the previous fiscal year by county and legislative district.
(4) $500,000 of the general fund--state appropriation for fiscal
year 2010 and $500,000 of the general fund--state appropriation for
fiscal year 2011 are provided solely for the military department to
contract with the Washington information network 2-1-1 to operate a
statewide 2-1-1 system. The department shall provide the entire amount
for 2-1-1 and shall use any of the funds for administrative purposes.

NEW SECTION. Sec. 152. FOR THE PUBLIC EMPLOYMENT RELATIONS
COMMISSION
General Fund--State Appropriation (FY 2010) .................. $3,110,000
General Fund--State Appropriation (FY 2011) .................. $3,115,000
Department of Personnel Service Account--State
  Appropriation ........................................ $3,269,000
  TOTAL APPROPRIATION .............................. $9,494,000

NEW SECTION. Sec. 153. FOR THE DEPARTMENT OF ARCHAEOLOGY AND
HISTORIC PRESERVATION
General Fund--State Appropriation (FY 2010) .................. $1,401,000
General Fund--State Appropriation (FY 2011) .................. $1,380,000
General Fund--Federal Appropriation ........................ $1,668,000
General Fund--Private/Local Appropriation .................... $14,000
  TOTAL APPROPRIATION .............................. $4,463,000

NEW SECTION. Sec. 154. FOR THE GROWTH MANAGEMENT HEARINGS BOARD
General Fund--State Appropriation (FY 2010) .................. $1,418,000
General Fund--State Appropriation (FY 2011) .................. $1,426,000
  TOTAL APPROPRIATION .............................. $2,844,000

NEW SECTION. Sec. 155. FOR THE STATE CONVENTION AND TRADE CENTER
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)
NEW SECTION. Sec. 201. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES. (1) Appropriations made in this act to the department of social and health services shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act except as expressly provided in this act, nor shall allotment modifications permit moneys that are provided solely for a specified purpose to be used for other than that purpose.

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

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

(4) The department is authorized to develop an integrated health care program designed to slow the progression of illness and disability and better manage medicaid expenditures for the aged and disabled population. Under this Washington medicaid integration partnership (WMIP), the department may combine and transfer such medicaid funds appropriated under sections 204, 206, 208, and 209 of this act as may be necessary to finance a unified health care plan for the WMIP program.
enrollment. The WMIP pilot projects shall not exceed a daily enrollment of 6,000 persons, nor expand beyond one county, during the 2009-2011 biennium. The amount of funding assigned to the pilot projects from each program may not exceed the average per capita cost assumed in this act for individuals covered by that program, actuarially adjusted for the health condition of persons enrolled in the pilot project, times the number of clients enrolled in the pilot project. In implementing the WMIP pilot projects, the department may:

(a) Withhold from calculations of "available resources" as set forth in RCW 71.24.025 a sum equal to the capitated rate for individuals enrolled in the pilots; and (b) employ capitation financing and risk-sharing arrangements in collaboration with health care service contractors licensed by the office of the insurance commissioner and qualified to participate in both the medicaid and medicare programs.

The department shall conduct an evaluation of the WMIP, measuring changes in participant health outcomes, changes in patterns of service utilization, participant satisfaction, participant access to services, and the state fiscal impact.

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

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

General Fund--State Appropriation (FY 2010) .................. $317,813,000
General Fund--State Appropriation (FY 2011) .................. $320,684,000
General Fund--Federal Appropriation ........................... $505,604,000
General Fund--Private/Local Appropriation ....................... $400,000
Domestic Violence Prevention Account--State

                      Appropriation .............................. $1,145,000
TOTAL APPROPRIATION ............................... $1,145,646,000

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

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

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

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

(4) $2,500,000 of the general fund--state appropriation for fiscal year 2010 and $2,500,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for secure crisis residential centers. Within appropriated amounts, the department shall collaborate with providers to maintain no less than forty-five beds that are geographically representative of the state. The department shall examine current secure crisis residential staffing requirements, flexible payment options, center specific waivers, and other appropriate methods to accomplish this outcome.
(5) A maximum of $77,817,000 of the general fund--state appropriations and $57,563,000 of the general fund--federal appropriations for the 2009-11 biennium may be expended for behavioral rehabilitative services. The department shall work with behavioral rehabilitative service providers to decrease the length of stay through improved emotional, behavioral, or medical outcomes for children in behavioral rehabilitative services in order to achieve the appropriated levels.

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

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

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

(d) The total foster care per capita amount shall not increase more than four percent in the 2009-11 biennium and shall not include behavioral rehabilitative service.
(6) Within amounts provided for the foster care and adoption support programs, the department shall control reimbursement decisions for foster care and adoption support cases such that the aggregate average cost per case for foster care and for adoption support does not exceed the amounts assumed in the projected caseload expenditures.

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

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

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

(10) $616,000 of the general fund--state appropriation for fiscal year 2010, $616,000 of the general fund--state appropriation for fiscal year 2011, and $368,000 of the general fund--federal appropriation are provided solely to contract with medical professionals for comprehensive safety assessments of high-risk families. The safety assessments will use validated assessment tools to guide intervention decisions through the identification of additional safety and risk factors. $800,000 of this amount is for comprehensive safety assessments for families receiving in-home child protective services or family voluntary services. $800,000 of this amount is for comprehensive safety assessments of families with an infant age birth to fifteen days where the infant was, at birth, diagnosed as substance exposed and the department received an intake referral related to the infant due to the substance exposure.
(11) $7,970,000 of the general fund--state appropriation for fiscal year 2010, $7,711,000 of the general fund--state appropriation for fiscal year 2011, and $5,177,000 of the general fund--federal appropriation are provided solely for court-ordered supervised visits between parents and dependent children. The department shall work collaboratively with the juvenile dependency courts to stay within appropriations without impeding reunification outcomes between parents and dependent children. The department shall report to the legislative fiscal committees quarterly, the number of children in foster care who receive supervised visits, their frequency, length of time of each visit, and whether reunification is attained.

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

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

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

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

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

General Fund--State Appropriation (FY 2010) . . . . . . . . . . . . . . . $107,913,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . . . . . . $93,431,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . . . . . $5,564,000
General Fund--Private/Local Appropriation . . . . . . . . . . . . . . . . . . $1,901,000
Washington Auto Theft Prevention Authority Account--
State Appropriation ......................... $196,000

Juvenile Accountability Incentive Account--Federal
Appropriation ............................... $2,812,000

TOTAL APPROPRIATION ........................... $211,817,000

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

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

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

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

4) $1,506,000 of the general fund--state appropriation for fiscal year 2010 and $1,506,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement alcohol and substance abuse treatment programs for locally committed offenders. The juvenile rehabilitation administration shall award these moneys on a competitive basis to counties that submitted a plan for the provision of services approved by the division of alcohol and substance abuse. The juvenile...
rehabilitation administration shall develop criteria for evaluation of plans submitted and a timeline for awarding funding and shall assist counties in creating and submitting plans for evaluation.

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

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

(7) $64,000,000 of the general fund--state appropriation for fiscal year 2010 and $47,000,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the operations of the Echo Glen children's center, the Maple Lane school, the Green Hill school, the Naselle youth camp, and the juvenile offender basic training camp and are contingent upon the closure of the Green Hill school on July 1, 2010. In fiscal year 2011, the department may expend funds at Green Hill school solely for the purpose of maintaining and preserving the physical plant of the school.
(8)(a) For the fiscal year ending June 30, 2010, the juvenile rehabilitation administration shall offer a block grant, rather than categorical funding, of consolidated juvenile service funds, community juvenile accountability act grants, the chemical dependency disposition alternative funds, the special sex offender disposition alternative funds, the mental health disposition alternative, sentencing disposition alternative, and evidence-based program expansion grants to juvenile courts for the purpose of serving youth adjudicated in the juvenile justice system. Evidence-based programs and disposition alternatives will be funding priorities. Funds may be used for promising practices when approved by juvenile rehabilitation administration, based on criteria established in consultation with Washington state institute for public policy and the juvenile courts. By September 1, 2009, the juvenile rehabilitation administration, in consultation with Washington state institute for public policy and the juvenile courts, shall develop a funding formula that takes into account the juvenile courts average daily population of program eligible youth in conjunction with the number of youth served in each approved evidence-based program or disposition alternative. By September 1, 2010, the Washington state institute for public policy shall provide a report to the office of financial management and the legislature on the administration of the block grant authorized in this subsection. The report shall include the criteria used for allocating the funding as a block grant and the participation targets and actual participation in the programs subject to the block grant.

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

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

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

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) INSTITUTIONAL SERVICES

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

The appropriations in this subsection are subject to the following conditions and limitations: The state psychiatric hospitals may use funds appropriated in this subsection to purchase goods and supplies through hospital group purchasing organizations when it is cost-effective to do so.
(3) SPECIAL PROJECTS

General Fund--State Appropriation (FY 2010) .................. $1,895,000
General Fund--State Appropriation (FY 2011) .................. $1,888,000
General Fund--Federal Appropriation ....................... $3,085,000

TOTAL APPROPRIATION .................. $6,868,000

(4) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2010) .................. $4,193,000
General Fund--State Appropriation (FY 2011) .................. $4,213,000
General Fund--Federal Appropriation ....................... $7,422,000

TOTAL APPROPRIATION .................. $15,828,000

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

(1) COMMUNITY SERVICES

General Fund--State Appropriation (FY 2010) .................. $313,692,000
General Fund--State Appropriation (FY 2011) .................. $368,480,000
General Fund--Federal Appropriation ....................... $850,164,000

TOTAL APPROPRIATION .................. $1,532,336,000

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

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

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

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

(d) $800,000 of the general fund--state appropriation for fiscal year 2010, $2,034,000 of the general fund--state appropriation for fiscal year 2011, and $4,006,000 of the general fund--federal appropriation for fiscal year 2011, and $15,828,000 of the general fund--federal appropriation for fiscal year 2011, are subject to the following conditions and limitations:

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

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

(g) $800,000 of the general fund--state appropriation for fiscal year 2010, $2,034,000 of the general fund--state appropriation for fiscal year 2011, and $4,006,000 of the general fund--federal appropriation for fiscal year 2011, and $15,828,000 of the general fund--federal appropriation for fiscal year 2011, are subject to the following conditions and limitations:

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

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

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

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

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

(g) $8,322,000 of the general fund--state appropriation for fiscal year 2010, $11,459,000 of the general fund--state appropriation for fiscal year 2011, and $29,034,000 of the general fund--federal
appropriation are provided solely for the state's contribution to the
cost of health care benefits for eligible participating providers,
pursuant to RCW 74.39A.270.

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

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

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

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

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

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2010) ............. $61,805,000
General Fund--State Appropriation (FY 2011) ............. $73,399,000
General Fund--Federal Appropriation .................... $205,532,000
General Fund--Private/Local Appropriation ............. $22,441,000
TOTAL APPROPRIATION ............................. $363,177,000
The appropriations in this subsection are subject to the following conditions and limitations:

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

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

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

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

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

(f) Within the amounts appropriated in this subsection, the department shall prepare a report and plan on the closure of the Francis Hadden
Morgan institution. The report shall be submitted to the appropriate committees of the legislature no later than January 15, 2010.

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

(3) PROGRAM SUPPORT

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<th>Source</th>
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<td>General Fund--State Appropriation (FY 2011)</td>
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The appropriations in this subsection are subject to the following conditions and limitations: In addition to other reductions, the appropriations in this subsection reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(4) SPECIAL PROJECTS

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

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

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</tr>
<tr>
<td><strong>TOTAL APPROPRIATION</strong></td>
<td><strong>$3,122,887,000</strong></td>
</tr>
</tbody>
</table>
The appropriations in this section are subject to the following conditions and limitations:

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

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

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

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

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

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

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

(c) To adult family homes and boarding homes that are contracted to provide support for specifically eligible clients as part of the
expanded community services program, to reduce the use of state and
local psychiatric hospitals for individuals who are not receiving
active treatment.

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

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

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

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

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

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

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

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

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

General Fund--State Appropriation (FY 2010) . . . . . . . . $515,164,000
General Fund--State Appropriation (FY 2011) . . . . . . . . $536,391,000
General Fund--Federal Appropriation . . . . . . . . . . . . . $1,509,040,000
General Fund--Private/Local Appropriation . . . . . . . . . $27,920,000
Administrative Contingency Account--State

Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . $15,489,000

Employment Service Administrative Account--State

Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . $6,645,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . $2,610,649,000

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

(1) $310,197,000 of the general fund--state appropriation for fiscal year 2010, $310,197,000 of the general fund--state appropriation for fiscal year 2011, $15,489,000 of the administrative contingency
account--state appropriation, $6,645,000 of the employment service administrative account--state appropriation, and $832,657,000 of the general fund--federal appropriation are provided solely for all components of the WorkFirst program. The department shall use moneys from the administrative contingency account and the employment service administrative account for WorkFirst job placement services provided by the employment security department. Within the amounts provided for the WorkFirst program, the department may provide assistance using state-only funds for families eligible for temporary assistance for needy families.

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

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

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

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

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

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.

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

General Fund--State Appropriation (FY 2010) .................. $82,720,000
General Fund--State Appropriation (FY 2011) .................. $85,360,000
General Fund--Federal Appropriation  ......................... $145,800,000
General Fund--Private/Local Appropriation .................. $632,000
Criminal Justice Treatment Account--State 
  Appropriation ........................................ $17,750,000
Problem Gambling Account--State Appropriation .............. $1,462,000
TOTAL APPROPRIATION .................. $333,724,000

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

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

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

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

<table>
<thead>
<tr>
<th>General Fund--State Appropriation (FY 2010)</th>
<th>$1,615,751,000</th>
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<tbody>
<tr>
<td>General Fund--State Appropriation (FY 2011)</td>
<td>$1,957,676,000</td>
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<tr>
<td>General Fund--Federal Appropriation</td>
<td>$5,173,326,000</td>
</tr>
<tr>
<td>General Fund--Private/Local Appropriation</td>
<td>$12,917,000</td>
</tr>
<tr>
<td>Emergency Medical Services and Trauma Care Systems Trust Account--State Appropriation</td>
<td>$15,076,000</td>
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<tr>
<td>Tobacco Prevention and Control Account--</td>
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</tr>
<tr>
<td>State Appropriation</td>
<td>$3,766,000</td>
</tr>
<tr>
<td>TOTAL APPROPRIATION</td>
<td>$8,778,512,000</td>
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</tbody>
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The appropriations in this section are subject to the following conditions and limitations:

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

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

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

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

(5) $10,546,000 of the general fund--state appropriation for fiscal year 2010, $10,546,000 of the general fund--state appropriation for fiscal year 2011, and $19,725,000 of the general fund--federal appropriation are provided solely for grants to nonrural hospitals.
The department shall distribute the funds under a formula that provides a relatively larger share of the available funding to hospitals that (a) serve a disproportionate share of low-income and medically indigent patients, and (b) have relatively smaller net financial margins, to the extent allowed by the federal medicaid program.

(6) The department shall continue the inpatient hospital certified public expenditures program for the 2009-11 biennium. The program shall apply to all public hospitals, including those owned or operated by the state, except those classified as critical access hospitals or state psychiatric institutions. The department shall submit reports to the governor and legislature by November 1, 2009, and by November 1, 2010, that evaluate whether savings continue to exceed costs for this program. If the certified public expenditures (CPE) program in its current form is no longer cost-effective to maintain, the department shall submit a report to the governor and legislature detailing cost-effective alternative uses of local, state, and federal resources as a replacement for this program. During fiscal year 2010 and fiscal year 2011, hospitals in the program shall be paid and shall retain (a) one hundred percent of the federal portion of the allowable hospital cost for each medicaid inpatient fee-for-service claim payable by medical assistance; and (b) one hundred percent of the federal portion of the maximum disproportionate share hospital payment allowable under federal regulations. Inpatient medicaid payments shall be established using an allowable methodology that approximates the cost of claims submitted by the hospitals. Payments made to each hospital in the program in each fiscal year of the biennium shall be compared to a baseline amount. The baseline amount will be determined by the total of (a) the inpatient claim payment amounts that would have been paid during the fiscal year had the hospital not been in the CPE program, and (b) disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005 that pertain to fiscal year 2005 to the extent the same disproportionate share programs exist in the 2009-2011 fiscal biennium. If payments during the fiscal year exceed the hospital's baseline amount, no additional payments will be made to the hospital except the federal portion of allowable disproportionate share hospital payments for which the hospital can certify allowable match. If payments during the fiscal year are less than the baseline amount, the hospital will be paid a state grant equal...
to the difference between payments during the fiscal year and the applicable baseline amount. Payment of the state grant shall be made in the applicable fiscal year and distributed in monthly payments. The grants will be recalculated and redistributed as the baseline is updated during the fiscal year. The grant payments are subject to an interim settlement within eleven months after the end of the fiscal year. A final settlement shall be performed. To the extent that either settlement determines that a hospital has received funds in excess of what it would have received as described in this subsection, the hospital must repay the excess amounts to the state when requested.

$36,704,000 of the general fund--state appropriation for fiscal year 2010, of which $6,570,000 is appropriated in section 204(1) of this act and the balance in this section, and $34,383,000 of the general fund--state appropriation for fiscal year 2011, of which $1,500,000 is appropriated in section 204(1) of this act and the balance in this section, are provided solely for state grants for the participating hospitals.

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

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

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

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

(11) The department shall require managed health care organizations that have contracts with the department to serve medical assistance clients to limit any reimbursements or payments the organizations make to providers not employed by or under contract with the organizations to not more than the medical assistance rates paid by the department to providers for comparable services rendered to clients in the fee-for-service delivery system.
(12) Appropriations in this section are sufficient for the department to continue to fund family planning nurses in the community services offices.

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

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

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

(16) The department shall report to the governor and the fiscal committees of the legislature by June 1, 2010, on its progress toward achieving a twenty percent increase in the generic prescription drug utilization rate. If this increase is not achieved by June 1, 2010,
the department is directed to cease coverage of medicare part D co-pays
as of July 1, 2010, in accordance with RCW 74.09.520(8), in order to
achieve the necessary savings.

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

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

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

(20) $9,350,000 of the general fund--state appropriation for fiscal
year 2010, $8,313,000 of the general fund--state appropriation for
fiscal year 2011, and $20,371,000 of the general fund--federal
appropriation are provided solely for development and implementation of
a replacement system for the existing medicaid management information
system. The amounts provided in this subsection are conditioned on the
department satisfying the requirements of section 902 of this act.

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

NEW SECTION. Sec. 210. FOR THE DEPARTMENT OF SOCIAL AND HEALTH
SERVICES--VOCATIONAL REHABILITATION PROGRAM
General Fund--State Appropriation (FY 2010) $10,851,000
General Fund--State Appropriation (FY 2011) $10,430,000
General Fund--Federal Appropriation $83,553,000
Telecommunications Devices for the Hearing and
Speech Impaired--State Appropriation $1,981,000
TOTAL APPROPRIATION $106,815,000

NEW SECTION. Sec. 211. FOR THE DEPARTMENT OF SOCIAL AND HEALTH
SERVICES--SPECIAL COMMITMENT PROGRAM
General Fund--State Appropriation (FY 2010) $54,389,000
General Fund--State Appropriation (FY 2011) $57,490,000
TOTAL APPROPRIATION $111,879,000

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

NEW SECTION. Sec. 212. FOR THE DEPARTMENT OF SOCIAL AND HEALTH
SERVICES--ADMINISTRATION AND SUPPORTING SERVICES PROGRAM
General Fund--State Appropriation (FY 2010) $35,997,000
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.

NEW SECTION. Sec. 213. FOR THE DEPARTMENT OF SOCIAL AND HEALTH
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

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

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

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

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

(5) $735,000 of the health care authority administrative account--
state appropriation is provided solely to implement Second Substitute
Senate Bill No. 5491 (developing a strategy for K-12 health benefits).
If the bill is not enacted by June 30, 2009, the amount provided in
this subsection shall lapse.
NEW SECTION.  Sec. 215.  FOR THE HUMAN RIGHTS COMMISSION

General Fund--State Appropriation (FY 2010) .......... $3,168,000
General Fund--State Appropriation (FY 2011) .......... $3,171,000
General Fund--Federal Appropriation .................. $1,336,000

TOTAL APPROPRIATION .................................. $7,675,000

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

APPEALS
Worker and Community Right-to-Know Account--
  State Appropriation .................................... $20,000
Accident Account--State Appropriation .................. $18,671,000
Medical Aid Account--State Appropriation .............. $18,671,000

TOTAL APPROPRIATION .................................. $37,362,000

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

General Fund--State Appropriation (FY 2010) .......... $16,340,000
General Fund--State Appropriation (FY 2011) .......... $16,398,000
General Fund--Private/Local Appropriation .............. $200,000
Death Investigations Account--State Appropriation ...... $148,000
Municipal Criminal Justice Assistance Account--
  State Appropriation .................................... $460,000
Washington Auto Theft Prevention Authority Account--
  State Appropriation .................................... $9,844,000

TOTAL APPROPRIATION .................................. $43,390,000

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

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

  (2) $1,191,000 of the general fund--state appropriation for fiscal year 2010 and $1,191,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington association of sheriffs and police chiefs to continue to develop, maintain, and operate the jail booking and reporting system (JBRs) and the statewide automated victim information and notification system (SAVIN).
(3) $2,500,000 of the general fund--state appropriation for fiscal year 2010, $2,500,000 of the general fund--state appropriation for fiscal year 2011, and $2,000,000 of the Washington auto theft prevention authority account--state appropriation are provided to the Washington association of sheriffs and police chiefs solely to verify the address and residency of registered sex offenders and kidnapping offenders under RCW 9A.44.130. The Washington association of sheriffs and police chiefs shall:

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

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

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

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

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

General Fund--State Appropriation (FY 2010) .................. $24,414,000
General Fund--State Appropriation (FY 2011) .................. $25,389,000
General Fund--Federal Appropriation ........................... $100,000
Public Safety and Education Account--Federal
   Appropriation .............................................$10,000,000
Asbestos Account--State Appropriation .......................... $891,000
Electrical License Account--State Appropriation ............... $42,256,000
Farm Labor Revolving Account--Private/Local Appropriation ... $28,000
Worker and Community Right-to-Know Account--
   State Appropriation ....................................... $1,997,000
Public Works Administration Account--State Appropriation .. $5,800,000
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<thead>
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<th>Account</th>
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<tr>
<td>Manufactured Home Installation Training Account--</td>
<td>$141,000</td>
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<td>State Appropriation</td>
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<tr>
<td>Accident Account--State Appropriation</td>
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<td>Accident Account--Federal Appropriation</td>
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<td>Medical Aid Account--State Appropriation</td>
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<td>Medical Aid Account--Federal Appropriation</td>
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<td>Manufactured Housing Account--State Appropriation</td>
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<td>Plumbing Certificate Account--State Appropriation</td>
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<td>Pressure Systems Safety Account--State Appropriation</td>
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<td>TOTAL APPROPRIATION</td>
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The appropriations in this section are subject to the following conditions and limitations:

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

2. The reduced appropriations for the crime victims' compensation program reflect reductions in the program's administrative expenses only. The department shall not make reductions to crime victims' compensation benefits.

3. The appropriations in this section reflect reductions in the appropriations for the department of labor and industries' administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or program.

4. $194,000 of the accident account--state appropriation and $192,000 of the medical aid account--state appropriation are provided solely for implementation of Senate Bill No. 5346 (health care administrative procedures). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

5. $84,000 of the accident account--state appropriation and $82,000 of the medical aid account--state appropriation are provided solely for implementation of Senate Bill No. 5613 (stop work orders).
If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

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

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

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

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

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

General Fund--State Appropriation (FY 2010) . . . . . . . . . . . . . . $1,963,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . . . . . $1,963,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $3,926,000

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

(1) HEADQUARTERS

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

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

(2) FIELD SERVICES

General Fund--State Appropriation (FY 2010) .................. $5,008,000
General Fund--State Appropriation (FY 2011) .................. $5,058,000
General Fund--Federal Appropriation .......................... $1,842,000
General Fund--Private/Local Appropriation .................... $3,513,000
Veterans Innovations Program Account Appropriation ....... $150,000
Veteran Estate Management Account--Private/Local
  Appropriation ............................................... $1,080,000
  TOTAL APPROPRIATION .................................... $16,651,000

The appropriations in this subsection are subject to the following conditions and limitations:
  (a) $125,000 of the general fund--state appropriation for fiscal year 2010 and $125,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the veterans innovation program.
  (b) In addition to other reductions, the appropriations in this section reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(3) INSTITUTIONAL SERVICES

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

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

NEW SECTION. Sec. 221. FOR THE HOME CARE QUALITY AUTHORITY
General Fund--State Appropriation (FY 2010) .................. $1,487,000
General Fund--State Appropriation (FY 2011) .................. $1,480,000
TOTAL APPROPRIATION ......................................... $2,967,000

NEW SECTION. Sec. 222. FOR THE DEPARTMENT OF HEALTH
General Fund--State Appropriation (FY 2010) .................. $115,502,000
General Fund--State Appropriation (FY 2011) .................. $94,345,000
General Fund--Federal Appropriation .......................... $482,063,000
General Fund--Private/Local Appropriation .................... $139,332,000
Hospital Data Collection Account--State Appropriation ..... $339,000
Health Professions Account--State Appropriation ............ $77,505,000
Aquatic Lands Enhancement Account--State Appropriation .... $604,000
Emergency Medical Services and Trauma Care Systems
  Trust Account--State Appropriation .......................... $13,534,000
Safe Drinking Water Account--State Appropriation .......... $2,748,000
Drinking Water Assistance Account--Federal
  Appropriation .................................................. $21,637,000
Drinking Water Assistance Administrative Account--
  State Appropriation ......................................... $326,000
State Toxics Control Account--State Appropriation ........... $3,638,000
Medical Test Site Licensure Account--State Appropriation .. $2,132,000
Youth Tobacco Prevention Account--State Appropriation ... $1,512,000
Public Health Supplemental Account--Private/Local
  Appropriation ................................................ $3,529,000
Accident Account--State Appropriation ........................ $298,000
Medical Aid Account--State Appropriation ........................ $48,000
Tobacco Prevention and Control Account--
  State Appropriation ......................................... $37,920,000
Biotoxin Account--State Appropriation ........................ $1,165,000
TOTAL APPROPRIATION .......................................... $999,705,000

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

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

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

(4) $58,000 of the general fund--state appropriation for fiscal year 2010 and $57,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the midwifery licensure and regulatory program to offset a reduction in revenue from fees. There shall be no change to the current annual fees for new or renewed licenses for the midwifery program. The department shall convene the midwifery advisory committee on a quarterly basis to address issues related to licensed midwifery.
(5) Beginning July 1, 2010, the department, in collaboration with the department of social and health services, shall maximize the use of existing federal funds, including section 317 of the federal public health services act direct assistance as well as federal funds that may become available under the American recovery and reinvestment act, in order to continue to provide immunizations for low-income, nonmedicaid eligible children up to three hundred percent of the federal poverty level in state-sponsored health programs.

NEW SECTION. Sec. 223. FOR THE DEPARTMENT OF CORRECTIONS
(1) ADMINISTRATION AND SUPPORT SERVICES
General Fund--State Appropriation (FY 2010) ............. $56,321,000
General Fund--State Appropriation (FY 2011) ............. $57,004,000
TOTAL APPROPRIATION ................................. $113,325,000

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

(2) CORRECTIONAL OPERATIONS
General Fund--State Appropriation (FY 2010) ............. $642,110,000
General Fund--State Appropriation (FY 2011) ............. $628,643,000
General Fund--Federal Appropriation ..................... $2,698,000
General Fund--Private/Local Appropriation ............... $6,400,000
Washington Auto Theft Prevention Authority Account--
State Appropriation ...................................... $5,960,000
TOTAL APPROPRIATION ................................. $1,285,811,000

The appropriations in this subsection are subject to the following conditions and limitations:
(a) The department may expend funds generated by contractual agreements entered into for mitigation of severe overcrowding in local jails. Any funds generated in excess of actual costs shall be deposited in the state general fund. Expenditures shall not exceed
(b) The department shall provide funding for the pet partnership program at the Washington corrections center for women at a level at least equal to that provided in the 1995-97 biennium.

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

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

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

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

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

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

(3) COMMUNITY SUPERVISION

General Fund--State Appropriation (FY 2010) . . . . . . . . . . . . . . . . $157,635,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . . . . . . . $151,930,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . $750,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $310,315,000

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

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

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

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

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

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

(4) CORRECTIONAL INDUSTRIES

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

(5) INTERAGENCY PAYMENTS
General Fund--State Appropriation (FY 2010) . . . . . . . . $40,455,000
General Fund--State Appropriation (FY 2011) . . . . . . . . $40,777,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . $81,232,000

NEW SECTION. Sec. 224. FOR THE DEPARTMENT OF SERVICES FOR THE
BLIND
General Fund--State Appropriation (FY 2010) . . . . . . . . $2,548,000
General Fund--State Appropriation (FY 2011) . . . . . . . . $2,564,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . $18,673,000
General Fund--Private/Local Appropriation . . . . . . . . . . $20,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . $23,805,000

NEW SECTION. Sec. 225. FOR THE EMPLOYMENT SECURITY DEPARTMENT
General Fund--State Appropriation (FY 2010) . . . . . . . . $57,000
General Fund--State Appropriation (FY 2011) . . . . . . . . $57,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . $316,986,000
General Fund--Private/Local Appropriation . . . . . . . . . . $33,836,000
Unemployment Compensation Administration
Account--Federal Appropriation . . . . . . . . . . . . . . . . . $327,264,000
Administrative Contingency Account--State
Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $12,742,000
Employment Service Administrative Account--
State Appropriation . . . . . . . . . . . . . . . . . . . . . . . . $30,828,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . $721,770,000

The appropriations in this subsection are subject to the following
conditions and limitations:
(1) $41,662,000 of the unemployment compensation administration
account--federal appropriation is provided from amounts made available
to the state by section 903(d) of the social security act (Reed act).
This amount is authorized to continue current unemployment insurance
functions and department services to employers and job seekers.
(2) $32,067,000 of the unemployment compensation administration
account--federal appropriation is provided from amounts made available
to the state by section 903(d) of the social security act (Reed act).
This amount is authorized to fund the replacement of the unemployment
insurance tax information system (TAXIS) for the employment security
department.
(3) $110,000 of the unemployment compensation administration account--federal appropriation is provided solely for implementation of Senate Bill No. 5804 (leaving part time work voluntarily). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

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

(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

<p>| 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 | $14,000 |
| Reclamation Account--State Appropriation | $3,718,000 |
| Flood Control Assistance Account--State | $1,984,000 |
| Waste Reduction/Recycling/Litter Control--State | $14,675,000 |
| State Drought Preparedness Account--State | $118,000 |
| State and Local Improvements Revolving Account | $432,000 |
| Freshwater Aquatic Algae Control Account--State | $365,000 |
| Water Rights Tracking System Account--State | $116,000 |
| Site Closure Account--State Appropriation | $706,000 |
| Wood Stove Education and Enforcement Account-- | $615,000 |
| State Appropriation | $1,697,000 |
| State Toxics Control Account--State Appropriation | $102,274,000 |
| State Toxics Control Account--Private/Local | |</p>
<table>
<thead>
<tr>
<th>Appropriation</th>
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<tr>
<td>Local Toxics Control Account--State Appropriation</td>
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<td>Water Quality Permit Account--State Appropriation</td>
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<td>Underground Storage Tank Account--State Appropriation</td>
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<td>Biosolids Permit Account--State Appropriation</td>
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<td>Hazardous Waste Assistance Account--State</td>
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<td>Air Pollution Control Account--State Appropriation</td>
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<td>Oil Spill Prevention Account--State Appropriation</td>
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<tr>
<td>Air Operating Permit Account--State Appropriation</td>
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<td>Freshwater Aquatic Weeds Account--State Appropriation</td>
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<td>Oil Spill Response Account--State Appropriation</td>
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<td>Metals Mining Account--State Appropriation</td>
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<td>Emissions Reduction Assistance Account--State</td>
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<td>Saltwater Algae Control Account--State Appropriation</td>
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<tr>
<td>TOTAL APPROPRIATION</td>
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</tr>
</tbody>
</table>

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

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

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

3. $3,000,000 of the general fund--private/local appropriation is provided solely for contracted toxic-site cleanup actions at sites where multiple potentially liable parties agree to provide funding.
(4) $3,600,000 of the local toxics account--state appropriation is provided solely for the standby emergency rescue tug stationed at Neah Bay.

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

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

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

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

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

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

(11) $813,000 of the air pollution control account--state appropriation and $49,000 of the emissions reduction account--state appropriation are provided solely for implementation of Engrossed
Second Substitute Senate Bill No. 5735 (reducing greenhouse gas emissions). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

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

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

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

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

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

General Fund--State Appropriation (FY 2010) . . . . . . . $26,746,000
General Fund--State Appropriation (FY 2011) . . . . . . . $25,989,000
General Fund--Federal Appropriation . . . . . . . . . . . . $5,927,000
General Fund--Private/Local Appropriation . . . . . . . . . . $73,000
Winter Recreation Program Account--State Appropriation . . . . $1,561,000
Off-Road Vehicle Account--State Appropriation . . . . . . . $240,000
Snowmobile Account--State Appropriation . . . . . . . . . . $4,845,000
Aquatic Lands Enhancement Account--State Appropriation . . . $369,000
Parks Renewal and Stewardship Account--State Appropriation . . $71,840,000
Parks Renewal and Stewardship Account--
Private/Local Appropriation .................. $300,000
Recreation Resources Account--State Appropriation ...... $9,802,000
NOVA Program Account--State Appropriation ........... $9,560,000
   TOTAL APPROPRIATION ....................... $157,252,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $79,000 of the general fund--state appropriation for fiscal year 2010 and $79,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant for the operation of the Northwest avalanche center.
(2) Proceeds received from voluntary donations given by motor vehicle registration applicants shall be used solely for the operation and maintenance of state parks.
(3) The commission shall actively pursue transferring ownership of state parks to local governments, tribes, or other entities that have expressed an interest in operating the park. The commission shall provide biannual updates of this effort to the office of financial management and the appropriate fiscal committees of the legislature. The first report shall be submitted no later than December 1, 2009.

NEW SECTION. Sec. 304. FOR THE RECREATION AND CONSERVATION FUNDING BOARD
General Fund--State Appropriation (FY 2010) ........ $1,602,000
General Fund--State Appropriation (FY 2011) ........ $1,649,000
General Fund--Federal Appropriation ............... $10,431,000
General Fund--Private/Local Appropriation .......... $250,000
Aquatic Lands Enhancement Account--State Appropriation .... $278,000
Firearms Range Account--State Appropriation ........ $39,000
Recreation Resources Account--State Appropriation .... $2,851,000
NOVA Program Account--State Appropriation .......... $1,062,000
   TOTAL APPROPRIATION ....................... $18,162,000

The appropriations in this section are subject to the following conditions and limitations:
(1) The recreation and conservation office, under the direction of the salmon recovery funding board, shall assess watershed and regional-scale capacity issues relating to the support and implementation of salmon recovery. The assessment shall examine priority setting and
incentives to further promote coordination to ensure that effective and
efficient mechanisms for delivery of salmon recovery funding board
funds are being utilized. The salmon recovery funding board shall
distribute its operational funding to the appropriate entities based on
this assessment.

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

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

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

NEW SECTION.  Sec. 306. FOR THE CONSERVATION COMMISSION

General Fund--State Appropriation (FY 2010) .............. $7,719,000
General Fund--State Appropriation (FY 2011) .............. $7,727,000
General Fund--Federal Appropriation ........................ $1,179,000
TOTAL APPROPRIATION ........................................ $16,625,000

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

General Fund--State Appropriation (FY 2010) .............. $44,185,000
General Fund--State Appropriation (FY 2011) .............. $42,686,000
General Fund--Federal Appropriation ......................... $86,829,000
General Fund--Private/Local Appropriation ................. $47,766,000
Off-Road Vehicle Account--State Appropriation .......... $419,000
Aquatic Lands Enhancement Account--State Appropriation .......... $6,792,000
Recreational Fisheries Enhancement--State Appropriation .......... $3,657,000
Warm Water Game Fish Account--State Appropriation ........ $2,896,000
Eastern Washington Pheasant Enhancement Account--State Appropriation .......... $757,000
Aquatic Invasive Species Enforcement Account--State Appropriation .......... $206,000
Aquatic Invasive Species Prevention Account--
State Appropriation ............... $845,000
Wildlife Account--State Appropriation ......... $65,625,000
Game Special Wildlife Account--State Appropriation ...... $2,391,000
Game Special Wildlife Account--Federal Appropriation ...... $8,930,000
Game Special Wildlife Account--Private/Local Appropriation .......... $487,000
Wildlife Rehabilitation Account--State Appropriation ...... $270,000
Regional Fisheries Salmonid Recovery Account--
Federal Appropriation .................. $5,001,000
Oil Spill Prevention Account--State Appropriation ........ $892,000
Oyster Reserve Land Account--State Appropriation ........ $918,000

TOTAL APPROPRIATION ............... $321,552,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $294,000 of the aquatic lands enhancement account--state appropriation is provided solely for the implementation of hatchery reform recommendations defined by the hatchery scientific review group.
(2) $400,000 of the general fund--state appropriation for fiscal year 2010 and $400,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a state match to support the Puget Sound nearshore partnership between the department and the U.S. army corps of engineers.
(3) $536,000 of the general fund--state appropriation for fiscal year 2010 and $603,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to implement a pilot project with the Confederated Tribes of the Colville Reservation to develop expanded recreational fishing opportunities on Lake Rufus Woods and its northern shoreline and to conduct joint enforcement of lake fisheries on Lake Rufus Woods and adjoining waters, pursuant to state and tribal intergovernmental agreements developed under the Columbia River water supply program. For the purposes of the pilot project:
(a) A fishing permit issued to a nontribal member by the Colville Tribes shall satisfy the license requirement of RCW 77.32.010 on the waters of Lake Rufus Woods and on the north shore of Lake Rufus Woods;
(b) The Colville Tribes have agreed to provide to holders of its
nontribal member fishing permits a means to demonstrate that fish in their possession were lawfully taken in Lake Rufus Woods;

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

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

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

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

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

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

(7) The department of fish and wildlife shall dispose of all fixed wing aircraft it currently owns. The proceeds from the aircraft shall
be deposited into the state wildlife account. Disposal of the aircraft
must occur no later than June 30, 2010.

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

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

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

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

General Fund--State Appropriation (FY 2010) . . . . . . . . . . . $42,483,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . . $42,873,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . $26,757,000
General Fund--Private/Local Appropriation . . . . . . . . . . . . $1,373,000
Forest Development Account--State Appropriation . . . . . . . . $42,265,000
Off Road Vehicle Account--State Appropriation . . . . . . . . . $4,274,000
Surveys and Maps Account--State Appropriation . . . . . . . . $2,563,000
Aquatic Lands Enhancement Account--State
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $7,295,000
Resources Management Cost Account--State
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $79,889,000
Surface Mining Reclamation Account--State
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $3,519,000
Disaster Response Account--State Appropriation . . . . . . . . $5,000,000
1 Forest and Fish Support Account--State Appropriation .... $8,000,000
2 Aquatic Land Dredged Material Disposal Site
3 Account--State Appropriation ................. $1,339,000
4 Natural Resources Conservation Areas Stewardship
5 Account--State Appropriation ................. $34,000
6 State Toxics Control Account--State Appropriation .... $80,000
7 Air Pollution Control Account--State Appropriation .... $572,000
8 NOVA Program Account--State Appropriation ......... $982,000
9 Derelict Vessel Removal Account--State Appropriation .... $1,755,000
10 Agricultural College Trust Management Account--
11 State Appropriation ......................... $2,659,000
12 TOTAL APPROPRIATION ..................... $273,712,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $1,355,000 of the general fund--state appropriation for fiscal year 2010 and $1,299,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for deposit into the agricultural college trust management account and are provided solely to manage approximately 70,700 acres of Washington State University's agricultural college trust lands.
(2) $11,128,000 of the general fund--state appropriation for fiscal year 2010, $11,128,000 of the general fund--state appropriation for fiscal year 2011, and $5,000,000 of the disaster response account--state appropriation are provided solely for emergency fire suppression. None of the general fund and disaster response account amounts provided in this subsection may be used to fund agency indirect and administrative expenses. Agency indirect and administrative costs shall be allocated among the agency's remaining accounts and appropriations. The department of natural resources shall submit a quarterly report to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from the disaster response account. This work shall be done in coordination with the military department.
(3) $5,000,000 of the forest and fish support account--state appropriation is provided solely for adaptive management, monitoring, and participation grants to tribes. If federal funding for this purpose is reinstated, the amount provided in this subsection shall lapse.
(4) $600,000 of the derelict vessel removal account-state appropriation is provided solely for removal of derelict and abandoned vessels that have the potential to contaminate Puget Sound.

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

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

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

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

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

General Fund-State Appropriation (FY 2010) . . . . . . . . . . . $12,777,000
General Fund-State Appropriation (FY 2011) . . . . . . . . . . . $12,424,000
General Fund-Federal Appropriation . . . . . . . . . . . . . . . . . $11,641,000
General Fund-Private/Local Appropriation . . . . . . . . . . . . . $200,000
Aquatic Lands Enhancement Account-State Appropriation . . . . . . $2,570,000
State Toxics Control Account-State Appropriation . . . . . . . . . . $4,323,000
1 Water Quality Permit Account--State Appropriation ........ $63,000
2 TOTAL APPROPRIATION .................................... $43,998,000

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

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

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

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

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

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

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

Pollution Liability Insurance Program Trust

Account--State Appropriation ......................... $646,000

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

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

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

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

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

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

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

(End of part)
NEW SECTION.  Sec. 401.  FOR THE DEPARTMENT OF LICENSING

General Fund--State Appropriation (FY 2010) .................. $1,703,000
General Fund--State Appropriation (FY 2011) .................. $1,746,000
Architects' License Account--State Appropriation .......... $1,063,000
Cemetery Account--State Appropriation ....................... $417,000
Professional Engineers' Account--State Appropriation ...... $3,609,000
Real Estate Commission Account--State Appropriation .... $10,123,000
Master License Account--State Appropriation ............. $15,813,000
Uniform Commercial Code Account--State Appropriation .... $3,127,000
Real Estate Education Account--State Appropriation .... $276,000
Real Estate Appraiser Commission Account--State
Appropriation ........................................... $1,707,000
Business and Professions Account--State Appropriation ... $15,530,000
Real Estate Research Account--State Appropriation ...... $320,000
Funeral Directors And Embalmers Account--State
Appropriation ........................................... $891,000
Geologists' Account--State Appropriation ................... $53,000
Derelict Vessel Removal Account--State Appropriation .... $31,000
TOTAL APPROPRIATION ................................ $56,409,000

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

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

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

(3) $150,000 of the business and professions account--state
appropriation is provided solely to implement Senate Bill No. 5698
(soil and wetland scientists).  If the bill is not enacted by June 30,
2009, the amount provided in this subsection shall lapse.
(4) $289,000 of the architects' license account--state appropriation is provided solely to implement Senate Bill No. 5529 (architects). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.
(5) $358,000 of the business and professions account--state appropriation is provided solely to implement Senate Bill No. 6126 (professional athletics). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 402. FOR THE STATE PATROL

General Fund--State Appropriation (FY 2010) ....................... $41,792,000
General Fund--State Appropriation (FY 2011) ....................... $40,577,000
General Fund--Federal Appropriation ............................... $11,452,000
General Fund--Private/Local Appropriation ........................ $2,935,000
Death Investigations Account--State Appropriation ............... $6,084,000
Enhanced 911 Account--State Appropriation ....................... $606,000
County Criminal Justice Assistance Account--State Appropriation ........ $3,200,000
Municipal Criminal Justice Assistance Account--State Appropriation ........ $1,267,000
Fire Service Trust Account--State Appropriation .................. $131,000
Disaster Response Account--State Appropriation .................. $8,002,000
Fire Service Training Account--State Appropriation ............... $8,743,000
Aquatic Invasive Species Enforcement Account--State Appropriation ........ $54,000
State Toxics Control Account--State Appropriation ................ $507,000
Fingerprint Identification Account--State Appropriation .......... $7,393,000
TOTAL APPROPRIATION .................................................. $132,743,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $200,000 of the fire service training account--state appropriation is provided solely for two FTEs in the office of the state director of fire protection to exclusively review K-12 construction documents for fire and life safety in accordance with the state building code. It is the intent of this appropriation to provide these services only to those districts that are located in counties without qualified review capabilities.
(2) $8,000,000 of the disaster response account--state appropriation is provided solely for Washington state fire service resource mobilization costs incurred in response to an emergency or disaster authorized under RCW 43.43.960 and 43.43.964. The state patrol shall submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from this account. This work shall be done in coordination with the military department.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) $1,099,000 of the general fund--state appropriation for fiscal year 2010 and $144,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for replacement of the apportionment and grant payment system, which includes the processes that collect school district budget and expenditure information,
staffing characteristics, and the student enrollments that drive the funding process.

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

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

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

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

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

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

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

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

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

(b) TECHNOLOGY

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

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

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

(c) GRANTS AND ALLOCATIONS

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

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

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

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

(v) $3,220,000 of the general fund--state appropriation for fiscal year 2010 and $3,219,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the dissemination of the Navigation 101 curriculum to all districts, including disseminating electronic student planning tools and software for analyzing the impact of the implementation of Navigation 101 on student performance, and grants to at least one hundred school districts each year for the
implementation of the Navigation 101 program. The implementation
grants will be limited to a maximum of two years and the school
districts selected shall represent various regions of the state and
reflect differences in school district size and enrollment
characteristics.

NEW SECTION. Sec. 502. FOR THE SUPERINTENDENT OF PUBLIC
INSTRUCTION--FOR GENERAL APPORTIONMENT
General Fund--State Appropriation (FY 2010) . . . . . . . . . . . . $5,065,861,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . . . $5,441,785,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . . . . $240,000,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . $10,747,646,000

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

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

(2) Allocations for certificated staff salaries for the 2009-10 and
2010-11 school years shall be determined using formula-generated staff
units calculated pursuant to this subsection. Staff allocations for
small school enrollments in (e) through (g) of this subsection shall be
reduced for vocational full-time equivalent enrollments. Staff
allocations for small school enrollments in grades K-6 shall be the
greater of that generated under (a) of this subsection, or under (d)
and (e) of this subsection. Certificated staffing allocations shall be
as follows:
(a) On the basis of each 1,000 average annual full-time equivalent
enrollments, excluding full-time equivalent enrollment otherwise
recognized for certificated staff unit allocations under (d) through
(g) of this subsection:
(i) Four certificated administrative staff units per thousand full-
time equivalent students in grades K-12;
(ii) Forty-nine certificated instructional staff units per thousand
full-time equivalent students in grades K-3; and
(iii) Forty-six certificated instructional staff units per thousand
full-time equivalent students in grades 4-12;
(b) For school districts with a minimum enrollment of 250 full-time
equivalent students whose full-time equivalent student enrollment count
in a given month exceeds the first of the month full-time equivalent enrollment count by 5 percent, an additional state allocation of 110 percent of the share that such increased enrollment would have generated had such additional full-time equivalent students been included in the normal enrollment count for that particular month;

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

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

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

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

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

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

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

(ii) For those enrolling students in grades 7 or 8, 1.68 certificated instructional staff units and 0.32 certificated
administrative staff units for enrollment of not more than five students, plus one-tenth of a certificated instructional staff unit for each additional student enrolled;

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

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

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

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

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

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

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

(g) For each nonhigh school district having an enrollment of more than seventy annual average full-time equivalent students and less than
one hundred eighty students, operating a grades K-8 program or a grades
1-8 program, an additional one-half of a certificated instructional
staff unit; and

(i) For each nonhigh school district having an enrollment of more
than fifty annual average full-time equivalent students and less than
one hundred eighty students, operating a grades K-6 program or a grades
1-6 program, an additional one-half of a certificated instructional
staff unit.

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

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

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

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

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

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

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

(b) The number of classified staff units determined in subsection
(3) of this section multiplied by 1.152. This factor is intended to
adjust allocations so that, for the purposes of distributing insurance
benefits, full-time equivalent classified employees may be calculated on the basis of 1440 hours of work per year, with no individual employee counted as more than one full-time equivalent.

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

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

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

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

(8) Any school district board of directors may petition the superintendent of public instruction by submission of a resolution adopted in a public meeting to reduce or delay any portion of its basic education allocation for any school year. The superintendent of public instruction shall approve such reduction or delay if it does not impair the district's financial condition. Any delay shall not be for more than two school years. Any reduction or delay shall have no impact on levy authority pursuant to RCW 84.52.0531 and local effort assistance pursuant to chapter 28A.500 RCW.
The superintendent may distribute a maximum of $8,747,000 outside the basic education formula during fiscal years 2010 and 2011 as follows:

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

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

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

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

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

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

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

(a) For three school years following consolidation, the number of basic education formula staff units shall not be less than the number of basic education formula staff units received by the districts in the school year prior to the consolidation; and
(b) For the fourth through eighth school years following consolidation, the difference between the basic education formula staff units received by the districts for the school year prior to consolidation and the basic education formula staff units after consolidation pursuant to subsection (2)(a) through (g) of this section shall be reduced in increments of twenty percent per year.

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

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

(b) $284,625,000 of the general fund--state appropriation for fiscal year 2011, or as much as remains after setting aside funds for the cost of a new minimum administrative salary of $67,126 and a new minimum classified salary of $33,428, shall be used solely to restore funding levels to school districts to achieve an equitable reduction from estimated maintenance-level state allocations. To the extent that initial distribution, by formula, of the funds identified in this subsection (12) yield a percent reduction from maintenance level that
is higher than the equitable reduction achieved for other school districts, districts will be held harmless and funds shall not be removed; and

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

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

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

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

(2) For the purposes of this section:

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

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

(3)(a) Pursuant to RCW 28A.150.410, the following state-wide salary allocation schedules for certificated instructional staff are established for basic education salary allocations:
# K-12 Salary Allocation Schedule For Certificated Instructional Staff

## 2009-10 School Year

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Code Rev/LL:cro 104 S-2812.4/09 4th draft
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(b) As used in this subsection, the column headings "BA+(N)" refer to the number of credits earned since receiving the baccalaureate degree.

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

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

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

(4) For the purposes of this section:

(a) "BA" means a baccalaureate degree.

(b) "MA" means a masters degree.

(c) "PHD" means a doctorate degree.

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

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

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

(a) The employee has a masters degree; or
(b) The credits were used in generating state salary allocations before January 1, 1992.

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

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

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

General Fund--State Appropriation (FY 2010) ............. $10,692,000
General Fund--State Appropriation (FY 2011) ............. $32,409,000
General Fund--Federal Appropriation ........................ $19,000
TOTAL APPROPRIATION ...................................... $43,120,000

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

(1) $42,072,000 is for adjustments to insurance benefit allocations. The maintenance rate for insurance benefit allocations is $732.00 per month for the 2009-10 and 2010-11 school years. The appropriations in this section provide for a rate increase to $745.00 per month for the 2009-10 school year and $768.00 per month for the 2010-11 school year. The adjustments to health insurance benefit allocations are at the following rates:
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(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.
Allocations for transportation of students transported more than one radius mile shall be based on weighted miles as determined by superintendent of public instruction multiplied by the per mile reimbursement rates for the school year pursuant to the formulas adopted by the superintendent of public instruction. Allocations for transportation of students living within one radius mile shall be based on the number of enrolled students in grades kindergarten through five living within one radius mile of their assigned school multiplied by the per mile reimbursement rate for the school year multiplied by 1.29.

(5) The office of the superintendent of public instruction shall provide reimbursement funding to a school district only after the superintendent of public instruction determines that the school bus was purchased from the list established pursuant to RCW 28A.160.195(2) or a comparable competitive bid process based on the lowest price quote based on similar bus categories to those used to establish the list pursuant to RCW 28A.160.195.

(6) The superintendent of public instruction shall base depreciation payments for school district buses on the five-year average of lowest bids in the appropriate category of bus. In the final year on the depreciation schedule, the depreciation payment shall be based on the lowest bid in the appropriate bus category for that school year.

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

General Fund--State Appropriation (FY 2010) . . . . . . . . . . $3,159,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . $3,159,000
General Fund--Federal Appropriation . . . . . . . . . . . . . $281,988,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . $288,306,000

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

(1) $3,000,000 of the general fund--state appropriation for fiscal year 2010 and $3,000,000 of the general fund--state appropriation for fiscal year 2011 are provided for state matching money for federal child nutrition programs.

(2) $100,000 of the general fund--state appropriation for fiscal year 2010 and $100,000 of the 2011 fiscal year appropriation are provided for summer food programs for children in low-income areas.
(3) $59,000 of the general fund--state appropriation for fiscal year 2010 and $59,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to reimburse school districts for school breakfasts served to students enrolled in the free or reduced price meal program pursuant to chapter 287, Laws of 2005 (requiring school breakfast programs in certain schools).

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

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

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

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

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

(2) The superintendent of public instruction shall ensure that:
   (a) Special education students are basic education students first;
   (b) As a class, special education students are entitled to the full basic education allocation;
(c) Special education students are basic education students for the entire school day; and

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

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

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

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

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

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

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

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

(a) "Annual average full-time equivalent basic education enrollment" means the resident enrollment including students enrolled through choice (RCW 28A.225.225) and students from nonhigh districts
(RCW 28A.225.210) and excluding students residing in another district enrolled as part of an interdistrict cooperative program (RCW 28A.225.250).

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

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

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

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

(a) The committee shall consider unmet needs for districts that can convincingly demonstrate that all legitimate expenditures for special education exceed all available revenues from state funding formulas. In the determination of need, the committee shall also consider additional available revenues from federal sources. Differences in program costs attributable to district philosophy, service delivery choice, or accounting practices are not a legitimate basis for safety
net awards. In the determination of need, the committee shall require
that districts demonstrate that they are maximizing their eligibility
for all state and federal revenues related to services for special
education-eligible students. Awards associated with (b) and (c) of
this subsection shall not exceed the total of a district's specific
determination of need.

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

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

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

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

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

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

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

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

(b) Staff of the office of the state auditor who shall be nonvoting
members of the committee; and
(c) One or more representatives from school districts or educational service districts knowledgeable of special education programs and funding.

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

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

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

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

(15) The superintendent shall maintain the percentage of federal flow-through to school districts at 85 percent. In addition to other purposes, school districts may use increased federal funds for high-
cost students, for purchasing regional special education services from educational service districts, and for staff development activities particularly relating to inclusion issues.

(16) A maximum of $1,200,000 of the general fund--federal appropriation may be expended by the superintendent for projects related to use of inclusion strategies by school districts for provision of special education services.

(17) The superintendent, consistent with federal IDEA reauthorization, shall continue to educate school districts on how to implement a birth-to-three program and review the cost effectiveness and learning benefits of early intervention.

(18) A school district may carry over from one year to the next year up to 10 percent of the general fund--state funds allocated under this program; however, carryover funds shall be expended in the special education program.

(19) $221,357,000 of the general fund--federal appropriation of American recovery and reinvestment act of 2009 funds is provided solely for the individuals with disabilities education act (IDEA), Part B, for distribution to school districts. The funds' use is to be consistent with the current IDEA, Part B statutory and regulatory requirements.

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

General Fund--State Appropriation (FY 2010) ................ $8,608,000
General Fund--State Appropriation (FY 2011) ................ $8,609,000
TOTAL APPROPRIATION .................................. $17,217,000

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

(1) The educational service districts shall continue to furnish financial services required by the superintendent of public instruction and RCW 28A.310.190 (3) and (4).

(2) $3,355,000 of the general fund--state appropriation in fiscal year 2010 and $3,355,000 of the general fund--state appropriation in fiscal year 2011 are provided solely for regional professional development related to mathematics and science curriculum and instructional strategies. For each educational service district, $372,357 is provided in each fiscal year for professional development activities related to mathematics and science curriculum and
1 instruction. Each educational service district shall use this funding
2 solely for salary and benefits for a certificated instructional staff
3 with expertise in the appropriate subject matter and in professional
4 development delivery, and for travel, materials, and other expenditures
5 related to providing regional professional development support. The
6 office of superintendent of public instruction shall also allocate to
7 each educational service district additional amounts provided in
8 section 504 of this act for compensation increases associated with the
9 salary amounts and staffing provided in this subsection (2).
10
11 (3) The educational service districts, at the request of the state
12 board of education pursuant to RCW 28A.310.010 and 28A.310.340, may
13 receive and screen applications for school accreditation, conduct
14 school accreditation site visits pursuant to state board of education
15 rules, and submit to the state board of education post-site visit
16 recommendations for school accreditation. The educational service
17 districts may assess a cooperative service fee to recover actual plus
18 reasonable indirect costs for the purposes of this subsection.

NEW SECTION. Sec. 509. FOR THE SUPERINTENDENT OF PUBLIC
INSTRUCTION--FOR LOCAL EFFORT ASSISTANCE
General Fund--State Appropriation (FY 2010) . . . . . . . . . . . . . $34,817,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . . . . $63,611,000
General Fund--Federal Appropriation (FY 2010) . . . . . . . . . . . . . $106,169,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . $204,597,000

The appropriations in this section are subject to the following
conditions and limitations: $106,169,000 of the general fund--federal
appropriation for fiscal year 2010 is provided solely for American
recovery and reinvestment act of 2009 (ARRA) fiscal stabilization funds
to restore state reductions for local effort assistance payments for
the portion of school year 2008-09 that are paid in fiscal year 2010.

NEW SECTION. Sec. 510. FOR THE SUPERINTENDENT OF PUBLIC
INSTRUCTION--FOR INSTITUTIONAL EDUCATION PROGRAMS
General Fund--State Appropriation (FY 2010) . . . . . . . . . . . . . $19,350,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . . . . $18,615,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . $37,965,000

The appropriations in this section are subject to the following
conditions and limitations:
(1) Each general fund--state fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

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

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

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

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

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

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

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

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

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

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

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

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

NEW SECTION. Sec. 512. FOR THE SUPERINTENDENT OF PUBLIC
INSTRUCTION--FOR MISCELLANEOUS PURPOSES UNDER THE ELEMENTARY AND
SECONDARY SCHOOL IMPROVEMENT ACT AND THE NO CHILD LEFT BEHIND ACT
General Fund--Federal Appropriation .................. $43,450,000

NEW SECTION. Sec. 513. FOR THE SUPERINTENDENT OF PUBLIC
INSTRUCTION--EDUCATION REFORM PROGRAMS
General Fund--State Appropriation (FY 2010) .......... $95,247,000
General Fund--State Appropriation (FY 2011) .......... $104,651,000
General Fund--Federal Appropriation .................. $152,626,000
Education Legacy Trust Account--State Appropriation .... $90,744,000
TOTAL APPROPRIATION .................. $443,268,000

The appropriations in this section are subject to the following
conditions and limitations:
(1) $37,406,000 of the general fund--state appropriation for fiscal
year 2010, $35,403,000 of the general fund--state appropriation for
fiscal year 2011, $1,063,000 of the education legacy trust
account--state appropriation, and $15,868,000 of the general fund--
federal appropriation are provided solely for development and
implementation of the Washington assessments of student learning
(WASL), including: (i) Development and implementation of retake
assessments for high school students who are not successful in one or
more content areas of the WASL; and (ii) development and implementation
of alternative assessments or appeals procedures to implement the
certificate of academic achievement. The superintendent of public
instruction shall report quarterly on the progress on development and
implementation of alternative assessments or appeals procedures.
Within these amounts, the superintendent of public instruction shall
contract for the early return of 10th grade student WASL results, on or
around June 10th of each year.

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

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

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

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

(6) $81,030,000 of the education legacy trust account--state
appropriation is provided solely for grants for voluntary full-day
kindergarten at the highest poverty schools. The office of the
superintendent of public instruction shall provide allocations to
districts for recipient schools in accordance with the funding formulas
provided in section 502 of this act. Each kindergarten student who
enrolls for the voluntary full-day program in a recipient school shall
count as one-half of one full-time equivalent student for the purpose
of making allocations under this subsection. Although the allocations
are formula-driven, the office of the superintendent shall consider the
funding provided in this subsection as a fixed amount, and shall limit
the number of recipient schools so as to stay within the amounts
appropriated each fiscal year in this subsection. The funding provided
in this subsection is estimated to provide full-day kindergarten
programs for 20 percent of kindergarten enrollment in the 2009-10
school year and 20 percent of kindergarten enrollment in the 2010-11
school year. Funding priority shall be given to schools with the
highest poverty levels, as measured by prior year free and reduced
priced lunch eligibility rates in each school. Additionally, as a
condition of funding, school districts must agree to provide the
full-day program to the children of parents who request it in each
eligible school. For the purposes of calculating a school district
levy base, funding provided in this subsection shall be considered a
state block grant program under RCW 84.52.0531.

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

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

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

(8) $105,754,000 of the general fund--federal appropriation is
provided for preparing, training, and recruiting high quality teachers and principals under Title II of the no child left behind act.

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

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

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

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

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

(i) For national board certified teachers, a bonus of $5,319 per teacher for fiscal year 2010, and $5,325 for fiscal year 2011.
National board certified teachers who become public school principals shall continue to receive this bonus for as long as they are principals and maintain the national board certification;

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

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

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

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

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

(17) $42,000 of the general fund--state appropriation for fiscal year 2010 and $38,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Senate Bill No. 5714 (relating to conditional funding for teachers to pursue national board for professional teaching standards certification). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.
The appropriations in this section are based upon savings assumed from the implementation of Senate Bill No. 5498 (relating to graduation without a certificate of academic achievement or a certificate of individual achievement).

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

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

NEW SECTION. Sec. 514. For the Superintendent of Public Instruction--For Transitional Bilingual Programs

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

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

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

(2) The superintendent shall distribute a maximum of $930.26 per eligible bilingual student in the 2009-10 school year and $930.26 in the 2010-11 school year, exclusive of salary and benefit adjustments provided in section 504 of this act.

(3) The superintendent may withhold up to 1.5 percent of the school year allocations to school districts in subsection (2) of this section, and adjust the per eligible pupil rates in subsection (2) of this section accordingly, solely for the central provision of assessments as provided in RCW 28A.180.090 (1) and (2).

(4) $70,000 of the amounts appropriated in this section are provided solely to track current and former transitional bilingual program students.

(5) The general fund--federal appropriation in this section is provided for migrant education under Title I Part C and English language acquisition, and language enhancement grants under Title III of the elementary and secondary education act.
NEW SECTION. Sec. 515. FOR THE SUPERINTENDENT OF PUBLIC
INSTRUCTION--FOR THE LEARNING ASSISTANCE PROGRAM

General Fund--State Appropriation (FY 2010) . . . . . . . . . . . . $103,808,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . . . $105,704,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . . . . . $543,925,000
Education Legacy Trust Account--State Appropriation . . . . . $47,980,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $801,417,000

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

(1) The general fund--state appropriations in this section are
subject to the following conditions and limitations:

(a) The appropriations include such funds as are necessary to
complete the school year ending in the fiscal year and for prior fiscal
year adjustments.

(b) Funding for school district learning assistance programs shall
be allocated at maximum rates of $289.56 per funded student for the
2009-10 school year and $290.55 per funded student for the 2010-11
school year exclusive of salary and benefit adjustments provided under
section 504 of this act.

(c) A school district's funded students for the learning assistance
program shall be the sum of the following as appropriate:

(i) The district's full-time equivalent enrollment in grades K-12
for the prior school year multiplied by the district's percentage of
October headcount enrollment in grades K-12 eligible for free or
reduced price lunch in the prior school year; and

(ii) If, in the prior school year, the district's percentage of
October headcount enrollment in grades K-12 eligible for free or
reduced price lunch exceeded forty percent, subtract forty percent from
the district's percentage and multiply the result by the district's K-
12 annual average full-time equivalent enrollment for the prior school
year.

(d) Within amounts appropriated in this section, funding is
provided for an additional amount to be allocated to school districts
with high concentrations of poverty and English language learner
students pursuant to chapter 328, Laws of 2008.

(2) $365,019,000 of the general fund--federal appropriation in this
section is provided for Title I Part A allocations of the no child left
$51,970,000 of the general fund--federal appropriation for fiscal year 2010 and $77,955,000 of the general fund--federal appropriation for fiscal year 2011 of American recovery and reinvestment act of 2009 (ARRA) Title I, Part A funds are in addition to regular Title I, Part A allocations solely for allocation to eligible school districts in accordance with the guidelines of ARRA.

$48,981,000 of the general fund--federal appropriation from the American recovery and reinvestment act of 2009 (ARRA) is for school improvement. This consists of 4 percent, or $5,413,000, of the Title I Part A recovery funds which must be set aside for school improvement as well as $43,568,000 in additional school improvement funds. At least $8,092,000 of the ARRA school improvement funds shall be used to enhance the state's focused assistance program.

Small school districts are encouraged to make the most efficient use of the funding provided by using regional educational service district cooperatives to hire staff, provide professional development activities, and implement reading and mathematics programs consistent with research-based guidelines provided by the office of the superintendent of public instruction.

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

School districts are encouraged to coordinate the use of these funds with other federal, state, and local sources to serve students who are below grade level and to make efficient use of resources in meeting the needs of students with the greatest academic deficits.

Within amounts appropriated in this section, funding is provided for the extended learning program to provide additional instructional services for eligible students in grades eight, eleven, and twelve during the regular school day, evenings, on weekends, or at other times in order to meet the needs of these students pursuant to chapter 328, Laws of 2008.

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

General Fund--State Appropriation (FY 2010) $47,624,000
General Fund--State Appropriation (FY 2011) $30,741,000
General Fund--Federal Appropriation .................. $74,253,000
TOTAL APPROPRIATION .......................... $152,618,000

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

1. Funding for school district student achievement programs shall be allocated at a maximum rate of $31.20 per FTE student for the 2009-10 school year and $31.20 per FTE student for the 2010-11 school year. For the purposes of this section, FTE student refers to the annual average full-time equivalent enrollment of the school district in grades kindergarten through twelve for the prior school year, as reported to the office of the superintendent of public instruction by August 31st of the previous school year.

2. $74,253,000 of the general fund--federal appropriation from the American recovery and reinvestment act of 2009 fiscal stabilization funds is to be used solely to fund the state fiscal year 2010 costs of school year 2008-09 student achievement fund commitments.

NEW SECTION.  Sec. 517.  K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR ADJUSTMENTS.  State general fund and state student achievement fund appropriations provided to the superintendent of public instruction for state entitlement programs in the public schools in this part V of this act may be expended as needed by the superintendent for adjustments to apportionment for prior fiscal periods. Recoveries of state general fund moneys from school districts and educational service districts for a prior fiscal period shall be made as reductions in apportionment payments for the current fiscal period and shall be shown as prior year adjustments on apportionment reports for the current period. Such recoveries shall not be treated as revenues to the state, but as a reduction in the amount expended against the appropriation for the current fiscal period.

NEW SECTION.  Sec. 518.  FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION.  Appropriations made in this act to the office of superintendent of public instruction shall be allotted initially as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act.

(End of part)
NEW SECTION.  Sec. 601.  The appropriations in sections 605 through 611 of this act are subject to the following conditions and limitations:

(1) "Institutions" means the institutions of higher education receiving appropriations under sections 605 through 611 of this act.

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

(3) In addition to waivers granted under the authority of RCW 28B.15.910, the governing boards and the state board may waive all or a portion of operating fees for any student. State general fund appropriations shall not be provided to replace tuition and fee revenue foregone as a result of waivers granted under this subsection.

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

(5) Any salary increase provided by an institution of higher education from nonstate sources shall not be included in the base used to calculate future state-funded compensation adjustments.

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

(a) Student enrollment levels, by campus;

(b) Baccalaureate and advanced degree production;

(c) Baccalaureate and advanced degree production in high employer-demand fields;

(d) Undergraduate retention and graduation rates;

(e) Time-to-degree for students entering as freshmen, and as upper-division transfers;

(f) Efficiency to degree; and

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

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

(7) To facilitate transparency and compliance with the American recovery and reinvestment act, the institutions of higher education receiving state and federal appropriations under sections 605 through 611 of this act shall allot anticipated state, federal, and tuition expenditures by budget program and fiscal year. The office of financial management shall notify the legislative ways and means committees of the proposed allotments at least ten days prior to their approval.

(8) To the extent permitted by the applicable personnel system rules, and to the extent collectively bargained with represented employees, institutions of higher education are encouraged to achieve the reductions in full-time-equivalent employment and payroll levels necessary to operate within this budget through strategies that will minimize impacts on employees, their families, their communities, and short- and longer-term accomplishment of institutional mission. Institutions are encouraged to utilize strategies such as reduced work-hours per day or week, voluntary leave without pay, and temporary furloughs that enable employees to maintain permanent employment status. Institutions are further encouraged to implement such strategies in ways that will enable employees to maintain full insurance benefits, full retirement service credit, and a living wage.

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

<table>
<thead>
<tr>
<th>Institution</th>
<th>2009-10 Annual Average</th>
<th>2010-11 Annual Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Washington</td>
<td>37,021</td>
<td>37,021</td>
</tr>
<tr>
<td>Washington State University</td>
<td>22,250</td>
<td>22,250</td>
</tr>
<tr>
<td>Central Washington University</td>
<td>8,507</td>
<td>8,507</td>
</tr>
<tr>
<td>Eastern Washington University</td>
<td>8,656</td>
<td>8,656</td>
</tr>
</tbody>
</table>
The Evergreen State College  4,213  4,213
Western Washington University  11,284  11,284
State Board for Community & Technical Colleges  140,237  139,237

(2) In achieving or exceeding these enrollment targets, each institution shall seek to:
   (a) Maintain and to the extent possible increase enrollment opportunities at branch campuses;
   (b) Maintain and to the extent possible increase enrollment opportunities at university centers and other partnership programs that enable students to earn baccalaureate degrees on community college campuses; and
   (c) Eliminate and consolidate programs of study for which there is limited student or employer demand, or that are not areas of core academic strength for the institution, particularly when such programs duplicate offerings by other in-state institutions.

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

(4) For purposes of monitoring and reporting statewide enrollment, the University of Washington and Washington State University shall notify the office of financial management of the number of full-time student equivalent enrollments budgeted for each of their campuses.

NEW SECTION. Sec. 603. PUBLIC BACCALAUREATE INSTITUTIONS. In order to operate within the state funds appropriated in this act, the governing boards of the state research universities, the state regional universities, and The Evergreen State College are authorized to adopt and adjust tuition and fees for the 2009-10 and 2010-11 academic years as provided in this section:

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

(2) Each governing board is authorized to increase tuition charges to graduate and professional students, and to nonresident undergraduate
students, by amounts judged reasonable and necessary by the governing board.

(3) Each governing board is authorized to increase summer quarter or semester tuition fees for resident and nonresident undergraduate, graduate, and professional students pursuant to RCW 28B.15.067.

(4) Each governing board is authorized to adopt or increase charges for fee-based, self-sustaining degree programs, credit courses, noncredit workshops and courses, and special contract courses by amounts judged reasonable and necessary by the governing board.

(5) Each governing board is authorized to adopt or increase services and activities fees for all categories of students as provided in RCW 28B.15.069.

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

(7) Each governing board is authorized to adopt or increase special course and lab fees, and health and counseling fees, to the extent necessary to cover the reasonable and necessary exceptional cost of the course or service.

(8) Each governing board is authorized to adopt or increase administrative fees such as but not limited to those charged for application, matriculation, special testing, and transcripts by amounts judged reasonable and necessary by the governing board.

NEW SECTION. Sec. 604. STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES. In order to operate within the state funds appropriated in this act, the state board for community and technical colleges and the trustees of the state's community and technical colleges are authorized to adopt and adjust tuition and fees for the 2009-10 and 2010-11 academic years as provided in this section:

(1) The state board may increase the tuition fees charged to resident undergraduate students by no more than five percent over the amounts charged to resident undergraduates during the prior academic year. The board may increase tuition fees under this subsection differentially based on student credit hour load, provided that the overall increase in average tuition revenue per student does not exceed five percent each year.

(2) The state board may increase the tuition fees charged to
resident undergraduates enrolled in upper division applied
baccalaureate programs by no more than seven percent over the amounts
charged during the prior academic year.

(3) The state board may increase the tuition fees charged to
nonresident students by amounts judged reasonable and necessary by the
board, but by no less than the percentage by which resident
undergraduate tuition is increased.

(4) The trustees of the technical colleges are authorized to either
(a) increase operating fees by no more than the percentage increases
authorized for community colleges by the state board; or (b) fully
adopt the tuition fee charge schedule adopted by the state board for
community colleges.

(5) For the 2009-10 academic year, the trustees of the technical
colleges are authorized to increase building fees by four cents per
clock hour and by sixty-two cents per credit hour. For the 2010-11
academic year, the trustees are authorized to increase building fees by
four cents per clock hour and by sixty-nine cents per credit hour. The
purpose of these increases is to progress toward parity with the
building fees charged students attending the community colleges.

(6) The state board is authorized to increase the maximum allowable
services and activities fee as provided in RCW 28B.15.096. The
trustees of the community and technical colleges are authorized to
increase services and activities fees up to the maximum level
authorized by the state board.

(7) The trustees of the community and technical colleges are
authorized to adopt or increase charges for fee-based, self-sustaining
programs such as summer session, international student contracts, and
special contract courses by amounts judged reasonable and necessary by
the trustees.

(8) The trustees of the community and technical colleges are
authorized to adopt or increase special course and lab fees to the
extent necessary to cover the reasonable and necessary exceptional cost
of the course or service.

(9) The trustees of the community and technical colleges are
authorized to adopt or increase administrative fees such as but not
limited to those charged for application, matriculation, special
testing, and transcripts by amounts judged reasonable and necessary by
the trustees.
NEW SECTION. Sec. 605. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

General Fund--State Appropriation (FY 2010) . . . . . . . . . . . $611,457,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . . $647,652,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . $40,072,000
Education Legacy Trust Account--State Appropriation . . . . . $95,161,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . $1,394,342,000

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

1. $28,761,000 of the general fund--state appropriation for fiscal year 2010, $28,761,000 of the general fund--state appropriation for fiscal year 2011, and $4,744,000 of the general fund--federal appropriation are provided solely as special funds for training and related support services, including financial aid, as specified in RCW 28C.04.390. Funding is provided to support at least 7,200 full-time equivalent students in fiscal year 2010 and at least 6,200 full-time equivalent students in fiscal year 2011.

2. $2,725,000 of the general fund--state appropriation for fiscal year 2010 and $2,725,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for administration and customized training contracts through the job skills program. The state board shall make an annual report by January 1st of each year to the governor and to the appropriate policy and fiscal committees of the legislature regarding implementation of this section, listing the scope of grant awards, the distribution of funds by educational sector and region of the state, and the results of the partnerships supported by these funds.

3. $2,900,000 of the general fund--state appropriation for fiscal year 2010 and $4,100,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to continue, expand, and improve the board's student achievement initiative.

4. When implementing the appropriations in this section, the state board and the trustees of the individual community and technical colleges shall minimize impact on academic programs, maximize reductions in administration, and shall at least maintain, and endeavor to increase, enrollment opportunities and degree and certificate production in high employer-demand fields of study at their academic year 2008-09 levels.
Within the board's 2009-11 biennial budget allocation to Bellevue Community College, and pursuant to RCW 28B.50.810, the college may implement an additional applied baccalaureate degree in interior design. This program is intended to provide students with additional opportunities to earn baccalaureate degrees and to respond to emerging job and economic growth opportunities. The program reviews and approval decisions required by RCW 28B.50.810 (3) and (4) shall be completed by July 31, 2009, so that the degree may be offered during the 2009-10 academic year.

In accordance with the recommendations of the higher education coordinating board's 2008 Kitsap region higher education center study, the state board shall facilitate development of university centers by allocating thirty 2-year and 4-year partnership full-time enrollment equivalencies to Olympic College. The college shall use the allocation to establish a partnership with a baccalaureate university or universities for delivery of upper division degree programs in the Kitsap region. The Olympic and Peninsula Community College districts shall additionally work together to ensure coordinated development of these and other future baccalaureate opportunities through coordinated needs assessment, planning, and scheduling.

By September 1, 2009, the state board for community and technical colleges, the higher education coordinating board, and the office of financial management shall review and to the extent necessary revise current 2009-11 performance targets based on the level of state, tuition, and other resources appropriated or authorized in this act and in the omnibus 2009-11 omnibus capital budget act. The current targets for the 2010-11 academic year include:

(a) Increase the number of students who are prepared to transfer to baccalaureate institutions to 19,400;

(b) Increase the number of students who earn professional or technical certificates or degrees or who achieve industry skill standards to 25,500;

(c) Increase the number of basic skills students who demonstrate substantive skill gain to 23,800;

(d) Increase the percentage of students who have demonstrated an intent to achieve an academic degree who have either transferred to a four-year institution within three years, or who are continuing to pursue academic studies at a community college.
The boards and the office of financial management shall additionally develop new performance targets for the 2011-13 and the 2013-15 biennia that will guide and measure the community and technical college system's contributions to achievement of the state's higher education master plan goals.

NEW SECTION. Sec. 606. FOR THE UNIVERSITY OF WASHINGTON

General Fund--State Appropriation (FY 2010) . . . . . . . . $282,448,000
General Fund--State Appropriation (FY 2011) . . . . . . . . $308,357,000
General Fund--Federal Appropriation . . . . . . . . . . . . . $24,730,000
Education Legacy Trust Account--State Appropriation . . . $54,333,000
Accident Account--State Appropriation . . . . . . . . . . . $6,713,000
Medical Aid Account--State Appropriation . . . . . . . . . $6,519,000
Biotoxin Account--State Appropriation . . . . . . . . . . . $450,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . $683,550,000

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

(1) In implementing the appropriations in this section, the president and regents shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) Because higher education is an essential driver of economic recovery and development, the university shall maintain, and endeavor to increase, enrollment and degree production levels at or beyond their academic year 2008-09 levels in the following high-demand fields: Biological and biomedical sciences; computer and information sciences; education with specializations in special education, math, or science; engineering and engineering technology; health professions and related clinical sciences; and mathematics and statistics.

(3) $75,000 of the general fund--state appropriation for fiscal year 2010 and $75,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for forestry research by the Olympic natural resources center.

NEW SECTION. Sec. 607. FOR WASHINGTON STATE UNIVERSITY

General Fund--State Appropriation (FY 2010) . . . . . . . . $183,188,000
General Fund--State Appropriation (FY 2011) . . . . . . . . $199,666,000
General Fund--Federal Appropriation . . . . . . . . . . . . . $15,772,000
Education Legacy Trust Account--State Appropriation . . . . $34,700,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $433,326,000

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

(1) In implementing the appropriations in this section, the
president and regents shall seek to minimize impacts on student
services and instructional programs by maximizing reductions in
administration and other non-instructional activities.

(2) Because higher education is an essential driver of economic
recovery and development, the university shall maintain, and endeavor
to increase, enrollment and degree production levels at or beyond their
academic year 2008-09 levels in the following high-demand fields:
Biological and biomedical sciences; computer and information sciences;
education with specializations in special education, math, or science;
engineering and engineering technology; health professions and related
clinical sciences; and mathematics and statistics.

NEW SECTION. Sec. 608. FOR EASTERN WASHINGTON UNIVERSITY
General Fund--State Appropriation (FY 2010) . . . . . . . . $36,868,000
General Fund--State Appropriation (FY 2011) . . . . . . . . $42,704,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . $5,522,000
Education Legacy Trust Account--State Appropriation . . . . $16,087,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $101,181,000

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

(1) In implementing the appropriations in this section, the
president and governing board shall seek to minimize impacts on student
services and instructional programs by maximizing reductions in
administration and other non-instructional activities.

(2) Because higher education is an essential driver of economic
recovery and development, the university shall maintain, and endeavor
to increase, enrollment and degree production levels at or beyond their
academic year 2008-09 levels in the following high-demand fields:
Biological and biomedical sciences; computer and information sciences;
education with specializations in special education, math, or science;
engineering and engineering technology; health professions and related
clinical sciences; and mathematics and statistics.
(3) At least $200,000 of the general fund--state appropriation for fiscal year 2010 and at least $200,000 of the general fund--state appropriation for fiscal year 2011 shall be expended on the northwest autism center.

NEW SECTION. Sec. 609. FOR CENTRAL WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2010) ............ $34,236,000
General Fund--State Appropriation (FY 2011) ............ $41,225,000
General Fund--Federal Appropriation ..................... $6,975,000
Education Legacy Trust Account--State Appropriation .... $19,076,000
TOTAL APPROPRIATION .................................. $101,512,000

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

(1) In implementing the appropriations in this section, the president and governing board shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) Because higher education is an essential driver of economic recovery and development, the university shall maintain, and endeavor to increase, enrollment and degree production levels at or beyond their academic year 2008-09 levels in the following high-demand fields: Biological and biomedical sciences; computer and information sciences; education with specializations in special education, math, or science; engineering and engineering technology; health professions and related clinical sciences; and mathematics and statistics.

NEW SECTION. Sec. 610. FOR THE EVERGREEN STATE COLLEGE

General Fund--State Appropriation (FY 2010) ............ $22,404,000
General Fund--State Appropriation (FY 2011) ............ $22,179,000
General Fund--Federal Appropriation ..................... $2,366,000
Education Legacy Trust Account--State Appropriation .... $5,450,000
TOTAL APPROPRIATION .................................. $52,399,000

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

(1) In implementing the appropriations in this section, the president and governing board shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.
Because higher education is an essential driver of economic recovery and development, the college shall maintain, and endeavor to increase, enrollment and degree production levels at or beyond their academic year 2008-09 levels in the following high-demand fields: Biological and biomedical sciences; computer and information sciences; education with specializations in special education, math, or science; engineering and engineering technology; health professions and related clinical sciences; and mathematics and statistics.

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

(4) $100,000 of the general fund--state appropriation for fiscal year 2010 and $100,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington state institute for public policy to report to the legislature regarding efficient and effective programs and policies. The report shall calculate the return on investment to taxpayers from evidence-based prevention and intervention programs and policies that influence crime, K-12 education outcomes, child maltreatment, substance abuse, mental health, public health, public assistance, employment, and housing. The institute for public policy shall provide the legislature with a comprehensive list of programs and policies that improve these outcomes for children and adults in Washington and result in more cost-efficient use of public resources. The institute shall submit interim reports by December 15, 2009, and October 1, 2010, and a final report by June 30, 2011. The institute may receive additional funds from a private organization for the purpose of conducting this study.

(5) To the extent federal or private funding is available for this purpose, the Washington state institute for public policy and the center for reinventing public education at the University of Washington shall examine the relationship between participation in pension systems and teacher quality and mobility patterns in the state. The department of retirement systems shall facilitate researchers' access to necessary individual-level data necessary to effectively conduct the study. The researchers shall ensure that no individually identifiable information will be disclosed at any time. An interim report on project findings
shall be completed by November 15, 2010, and a final report shall be
submitted to the governor and to the relevant committees of the
legislature by October 15, 2011.

NEW SECTION. Sec. 611. FOR WESTERN WASHINGTON UNIVERSITY
General Fund--State Appropriation (FY 2010) ............. $46,089,000
General Fund--State Appropriation (FY 2011) ............. $55,318,000
General Fund--Federal Appropriation ....................... $8,885,000
Education Legacy Trust Account--State Appropriation .... $13,036,000
TOTAL APPROPRIATION ................................ $123,328,000

The appropriations in this section are subject to the following
conditions and limitations:
(1) In implementing the appropriations in this section, the
president and governing board shall seek to minimize impacts on student
services and instructional programs by maximizing reductions in
administration and other non-instructional activities.
(2) Because higher education is an essential driver of economic
recovery and development, the university shall maintain, and endeavor
to increase, enrollment and degree production levels at or beyond their
academic year 2008-09 levels in the following high-demand fields:
Biological and biomedical sciences; computer and information sciences;
education with specializations in special education, math, or science;
engineering and engineering technology; health professions and related
clinical sciences; and mathematics and statistics.

NEW SECTION. Sec. 612. FOR THE HIGHER EDUCATION COORDINATING
BOARD--POLICY COORDINATION AND ADMINISTRATION
General Fund--State Appropriation (FY 2010) ............. $6,009,000
General Fund--State Appropriation (FY 2011) ............. $5,878,000
General Fund--Federal Appropriation ....................... $4,361,000
TOTAL APPROPRIATION ................................ $16,248,000

The appropriations in this section are subject to the following
conditions and limitations:
(1) Within the funds appropriated in this section, the higher
education coordinating board shall complete a system design planning
project that defines how the current higher education delivery system
can be shaped and expanded over the next ten years to best meet the
needs of Washington citizens and businesses for high quality and
accessible post-secondary education. The board shall propose policies and specific, fiscally feasible implementation recommendations to accomplish the goals established in the 2008 strategic master plan for higher education. The project shall specifically address the roles, missions, and instructional delivery systems both of the existing and of proposed new components of the higher education system; the extent to which specific academic programs should be expanded, consolidated, or discontinued and how that would be accomplished; the utilization of innovative instructional delivery systems and pedagogies to reach both traditional and nontraditional students; and opportunities to consolidate institutional administrative functions. The study recommendations shall also address the proposed location, role, mission, academic program, and governance of any recommended new campus, institution, or university center. During the planning process, the board shall inform and actively involve the chairs from the senate and house of representatives committees on higher education, or their designees. The board shall report the findings and recommendations of this system design planning project to the governor and the appropriate committees of the legislature by December 1, 2009.

(2) The higher education coordinating board, in coordination with the research and regional colleges and universities, shall review options and make recommendations with regard to providing further flexibility and differentiation within Washington's current "flat rate" public baccalaureate tuition system. Options to be examined include higher tuition coupled with higher institutional need-based financial aid; graduated tuition rates based on family income; differential tuition rates by institutional mission, campus, and/or delivery method; and differential tuition rates by academic program and/or course level. Each option shall be assessed in terms of administrative feasibility; interactions with and implications for state and federal financial aid programs, including tax credits; impacts on the guaranteed education tuition program; and impacts on students of different income levels. The board shall report its findings and recommendations to the governor and to the higher education and relevant fiscal committees of the legislature by November 1, 2009.

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

General Fund--State Appropriation (FY 2010) ......... $197,518,000
General Fund--State Appropriation (FY 2011) ........... $206,038,000
General Fund--Federal Appropriation ................. $13,138,000
Education Legacy Trust Account--State Appropriation .... $88,062,000

TOTAL APPROPRIATION ................................. $504,756,000

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

(1) $181,741,000 of the general fund--state appropriation for fiscal year 2010, $202,441,000 of the general fund--state appropriation for fiscal year 2011, $46,340,000 of the education legacy trust account appropriation for fiscal year 2010, $33,850,000 of the education legacy trust account appropriation for fiscal year 2011, and $2,446,000 of the general fund--federal appropriation are provided solely for student financial aid payments under the state need grant; the state work study program including up to a four percent administrative allowance; the Washington scholars program; and the Washington award for vocational excellence. State need grant, Washington award for vocational excellence, and Washington scholars awards shall be adjusted to offset the cost of the resident undergraduate tuition increases authorized under this act.

(2)(a) Within the funds appropriated in this section, eligibility for the state need grant shall include students with family incomes at or below 70 percent of the state median family income (MFI), adjusted for family size. Awards for all students shall be adjusted by the estimated amount by which Pell grant increases exceed projected increases in the noninstructional costs of attendance. Awards for students with incomes between 51 and 70 percent of the state median shall be prorated at the following percentages of the award amount granted to those with incomes below 51 percent of the MFI: 75 percent for students with family incomes between 51 and 65 percent MFI; and 50 percent for students with family incomes between 66 and 70 percent MFI.

(b) Grant awards for students at private four-year colleges shall not be adjusted for tuition increases during the 2009-11 fiscal biennium.

(3) $1,000,000 of the education legacy trust account--state appropriation is provided solely to encourage more students to teach secondary mathematics and science. $500,000 of this amount is for the
future teacher scholarship and conditional loan program. $500,000 of this amount is provided to support state work study positions for students to intern in secondary schools and classrooms.

(4) $3,872,000 of the education legacy trust account--state appropriation is provided solely for the passport to college scholarship program. Funds are provided for student scholarships, provider training, and for incentive payments to the colleges they attend for individualized student support services which may include, but are not limited to, college and career advising, counseling, tutoring, costs incurred for students while school is not in session, personal expenses, health insurance, and emergency services.

(5) Amounts provided in this section are sufficient to continue Washington scholars awards and Washington awards for vocational excellence under existing terms and conditions, adjusted for the tuition increases authorized in this act, for all scholarships and awards granted through the beginning of the 2009-10 academic year. No new Washington scholars shall be named for the 2010-11 academic year.

(6) $246,000 of the general fund--state appropriation for fiscal year 2010 and $246,000 of the general fund--state appropriation for fiscal year 2011 are for community scholarship matching grants and its administration. To be eligible for the matching grant, nonprofit groups organized under section 501(c)(3) of the federal internal revenue code must demonstrate they have raised at least $2,000 in new moneys for college scholarships after the effective date of this section. Groups may receive no more than one $2,000 matching grant per year and preference shall be given to groups affiliated with scholarship America. Up to a total of $46,000 per year of the amount appropriated in this section may be awarded to a nonprofit community organization to administer scholarship matching grants, with preference given to an organization affiliated with scholarship America.

(7) $500,000 of the general fund--state appropriation for fiscal year 2010 and $500,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for state need grants provided to students enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits. Total state expenditures on this program shall not exceed the amounts provided in this subsection.
NEW SECTION. Sec. 614. FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD

General Fund--State Appropriation (FY 2010) .................. $1,635,000
General Fund--State Appropriation (FY 2011) .................. $1,600,000
General Fund--Federal Appropriation ......................... $54,050,000
TOTAL APPROPRIATION ......................................... $57,285,000

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

General Fund--State Appropriation (FY 2010) .................. $1,565,000
General Fund--State Appropriation (FY 2011) .................. $1,574,000
TOTAL APPROPRIATION ......................................... $3,139,000

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

General Fund--State Appropriation (FY 2010) .................. $58,774,000
General Fund--State Appropriation (FY 2011) .................. $59,045,000
General Fund--Federal Appropriation ......................... $252,269,000
TOTAL APPROPRIATION ......................................... $370,088,000

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

(1) $54,469,000 of the general fund--state appropriation for fiscal year 2010 and $54,469,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for early childhood education and assistance program services. This appropriation temporarily reduces the number of slots for the 2009-11 fiscal biennium for the early childhood education and assistance program. The department shall reduce slots where providers serve both federal headstart and early childhood education and assistance program children, to the greatest extent possible, in order to achieve no reduction of slots across the state. The amounts in this subsection also reflect reductions to the administrative expenditures for the early childhood education and assistance program. The department shall reduce administrative expenditures, to the greatest extent possible, prior to reducing early childhood education and assistance program slots. Of these amounts, $10,284,000 is a portion of the biennial amount of state matching dollars required to receive federal child care and development fund grant dollars.
(2) $1,000,000 of the general fund--federal appropriation is provided to the department to contract with Thrive by Five, Washington for a pilot project for a quality rating and improvement system to provide parents with information they need to choose quality child care and education programs and to improve the quality of early care and education programs. The department in collaboration with Thrive by Five shall operate the pilot project in King, Yakima, Clark, Spokane, and Kitsap counties. The department shall use child care development fund quality money for this purpose.

(3) The department is the lead agency for and recipient of the federal child care and development fund grant. Amounts within this grant shall be used to fund child care licensing, quality initiatives, agency administration, and other costs associated with child care subsidies. The department shall transfer a portion of this grant to the department of social and health services to partially fund the child care subsidies paid by the department of social and health services on behalf of the department of early learning.

(4) The department shall use child care development fund money to satisfy the federal audit requirement of the improper payments act (IPIA) of 2002. In accordance with the IPIA's rules, the money spent on the audits will not count against the five percent state limit on administrative expenditures.

(5) Within available amounts, the department in consultation with the office of financial management and the department of social and health services shall report quarterly enrollments and active caseload for the working connections child care program to the legislative fiscal committees. The report shall also identify the number of cases participating in both temporary assistance for needy families and working connections child care.

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

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

General Fund--State Appropriation (FY 2010) . . . . . . . . . . . . $6,138,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . $6,123,000
General Fund--Private/Local Appropriation . . . . . . . . . . . $1,970,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . $14,231,000

The appropriations in this section are subject to the following conditions and limitations: $135,000 of the general fund--private/local appropriation for fiscal year 2010 and $136,000 of the general fund--private/local appropriation for fiscal year 2011 are provided solely for the operation of a short course program. The school for the blind shall provide this service to the extent it is funded by contracts with school districts and educational service districts.

NEW SECTION. Sec. 618. FOR THE STATE SCHOOL FOR THE DEAF

General Fund--State Appropriation (FY 2010) . . . . . . . . . $8,848,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . . $8,879,000
General Fund--Private/Local Appropriation . . . . . . . . . . . . . $526,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $18,253,000

The appropriations in this section are subject to the following conditions and limitations: $126,000 of the general fund--private/local appropriation for fiscal year 2010 and $84,000 of the general fund--private/local appropriation for fiscal year 2011 are provided solely for the operation of a shared reading video outreach program. The school for the deaf shall provide this service to the extent it is funded by contracts with school districts and educational service districts.

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

General Fund--State Appropriation (FY 2010) . . . . . . . . . $2,046,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . . $2,047,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . $1,620,000
General Fund--Private/Local Appropriation . . . . . . . . . . . . . $1,054,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $6,767,000

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

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

General Fund--State Appropriation (FY 2010) ............... $2,631,000
General Fund--State Appropriation (FY 2011) ............... $2,665,000
TOTAL APPROPRIATION ............... $5,296,000

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

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

General Fund--State Appropriation (FY 2010) ............... $1,635,000
General Fund--State Appropriation (FY 2011) ............... $1,671,000
TOTAL APPROPRIATION ............... $3,306,000

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

(End of part)
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
NEW SECTION. Sec. 703. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE

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

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for expenditure into the nondebt-limit general fund bond retirement account. The entire general fund--state appropriation for fiscal year 2010 shall be expended into the nondebt-limit general fund bond retirement account by June 30, 2010.

NEW SECTION. Sec. 704. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES

General Fund--State Appropriation (FY 2010) ................ $1,357,000
General Fund--State Appropriation (FY 2011) ................ $1,357,000
State Building Construction Account--State
Appropriation ........................................ $1,273,000
Columbia River Basin Water Supply Development
Account--State Appropriation ............................... $6,000
Hood Canal Aquatic Rehabilitation Bond Account--
State Appropriation ...................................... $1,000
State Taxable Building Construction Account--State
Appropriation ........................................ $72,000
Gardner-Evans Higher Education Construction
Account--State Appropriation ............................... $18,000
School Construction and Skill Centers Building
Account--State Appropriation ............................... $30,000
  TOTAL APPROPRIATION .............................. $4,114,000

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

General Fund--State Appropriation (FY 2010) .......... $4,000,000
General Fund--State Appropriation (FY 2011) .......... $4,000,000
   TOTAL APPROPRIATION ................................ $8,000,000

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

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

General Fund--State Appropriation (FY 2010) .......... $14,558,000
General Fund--State Appropriation (FY 2011) .......... $15,087,000
   TOTAL APPROPRIATION ................................ $29,645,000

   The appropriations in this section are subject to the following
   conditions and limitations: The appropriations are provided solely for
   expenditure into the disaster response account. $5,000,000 of the
   appropriation is provided for emergency fire suppression by the
   department of natural resources.

NEW SECTION. Sec. 707. FOR THE OFFICE OF FINANCIAL MANAGEMENT--
   EMERGENCY FUND

General Fund--State Appropriation (FY 2010) .......... $850,000
General Fund--State Appropriation (FY 2011) .......... $850,000
   TOTAL APPROPRIATION ................................ $1,700,000

   The appropriations in this section are subject to the following
   conditions and limitations: The appropriations in this section are for
   the governor's emergency fund for the critically necessary work of any
   agency.

NEW SECTION. Sec. 708. FOR THE DEPARTMENT OF COMMUNITY, TRADE,
   AND ECONOMIC DEVELOPMENT--COUNTY PUBLIC HEALTH ASSISTANCE

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

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

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<th>Health District</th>
<th>FY 2010</th>
<th>FY 2011</th>
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Walla Walla County-City Health Department $172,062  $172,062  $344,124
Whatcom County Health Department $855,863  $855,863  $1,711,726
Whitman County Health Department $78,733  $78,733  $157,466
Yakima Health District $623,797  $623,797  $1,247,594
TOTAL APPROPRIATIONS $24,000,000  $24,000,000  $48,000,000

NEW SECTION.  Sec. 709.  RELATED CLAIMS.  The agencies and institutions of the state may expend moneys appropriated in this act, upon approval of the office of financial management, for the payment of supplies and services furnished to the agency or institution in prior fiscal biennia.

NEW SECTION.  Sec. 710.  FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--CONTRIBUTIONS TO RETIREMENT SYSTEMS.

The appropriations in this section are subject to the following conditions and limitations: The appropriations for the law enforcement officers' and firefighters' retirement system shall be made on a monthly basis beginning July 1, 2009, consistent with chapter 41.45 RCW, and the appropriations for the judges and judicial retirement systems shall be made on a quarterly basis consistent with chapters 2.10 and 2.12 RCW.

(1) There is appropriated for state contributions to the law enforcement officers' and firefighters' retirement system:
General Fund--State Appropriation (FY 2010) . . . . . . . . . . $51,500,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . $54,300,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . $105,800,000

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

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

General Fund--State Appropriation (FY 2010) . . . . . . . . . . $8,000,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . $8,000,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . $16,000,000
The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the education technology revolving account for the purpose of covering ongoing operational and equipment replacement costs incurred by the K-20 educational network program in providing telecommunication services to network participants.

NEW SECTION. Sec. 712. FOR THE OFFICE OF FINANCIAL MANAGEMENT--WATER POLLUTION CONTROL REVOLVING ACCOUNT

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

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

NEW SECTION. Sec. 713. INCENTIVE SAVINGS--FY 2010. The sum of one hundred twenty-five million dollars or so much thereof as may be available on June 30, 2010, from the total amount of unspent fiscal year 2010 state general fund appropriations, exclusive of amounts expressly placed into unallotted status by this act, is appropriated for the purposes of RCW 43.79.460 in the manner provided in this section.

(1) Of the total appropriated amount, one-half of that portion that is attributable to incentive savings, not to exceed twenty-five million dollars, is appropriated to the savings incentive account for the purpose of improving the quality, efficiency, and effectiveness of agency services, and credited to the agency that generated the savings.

(2) The remainder of the total amount, not to exceed one hundred million dollars, is appropriated to the education savings account.

NEW SECTION. Sec. 714. INCENTIVE SAVINGS--FY 2011. The sum of one hundred twenty-five million dollars or so much thereof as may be available on June 30, 2011, from the total amount of unspent fiscal year 2011 state general fund appropriations, exclusive of amounts expressly placed into unallotted status by this act, is appropriated for the purposes of RCW 43.79.460 in the manner provided in this section.
(1) Of the total appropriated amount, one-half of that portion that is attributable to incentive savings, not to exceed twenty-five million dollars, is appropriated to the savings incentive account for the purpose of improving the quality, efficiency, and effectiveness of agency services, and credited to the agency that generated the savings.

(2) The remainder of the total amount, not to exceed one hundred million dollars, is appropriated to the education savings account.

NEW SECTION. Sec. 715. FOR THE OFFICE OF FINANCIAL MANAGEMENT--
COUNTY SUBSTANCE ABUSE PROGRAMS
General Fund--State Appropriation (FY 2010) . . . . . . . . . . $1,300,000

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

NEW SECTION. Sec. 716. FOR THE OFFICE OF FINANCIAL MANAGEMENT--
EXTRAORDINARY CRIMINAL JUSTICE COSTS
General Fund--State Appropriation (FY 2010) . . . . . . . . . . $1,185,000

The appropriation in this section is subject to the following conditions and limitations: The director of financial management shall distribute funds to Franklin county ($126,832), Skagit county ($64,701), Yakima county ($83,457), Spokane county ($205,781), and King county ($704,229) for extraordinary criminal justice costs.

NEW SECTION. Sec. 717. FOR THE OFFICE OF FINANCIAL MANAGEMENT--
SMALL AGENCY TECHNOLOGY POOL
General Fund--State Appropriation (FY 2010) . . . . . . . . . . $250,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . $250,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . $500,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the data processing revolving account for the small agency technology pool.
NEW SECTION.  Sec. 718. FOR THE OFFICE OF FINANCIAL MANAGEMENT--
CAPITOL BUILDING CONSTRUCTION ACCOUNT

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

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

NEW SECTION.  Sec. 719. FOR THE OFFICE OF FINANCIAL MANAGEMENT--
TRANSITIONAL HOUSING OPERATING AND RENT ACCOUNT

General Fund--State Appropriation (FY 2010) . . . . . . . . . . . . . . $5,000,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . . . . . $5,000,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $10,000,000

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

NEW SECTION.  Sec. 720. FOR THE OFFICE OF FINANCIAL MANAGEMENT--
BUDGET STABILIZATION ACCOUNT

Budget Stabilization Account--State Appropriation . . . . . $48,800,000

The appropriation in this section is subject to the following
conditions and limitations: The appropriation is provided solely for
expenditure into the state general fund.

NEW SECTION.  Sec. 721. FOR THE DEPARTMENT OF GENERAL
ADMINISTRATION--O'BRIEN BUILDING IMPROVEMENT

General Fund--State Appropriation (FY 2010) . . . . . . . . . . . . . . $1,435,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . . . . . $1,435,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $2,870,000

The appropriations in this section are subject to the following
conditions and limitations: The appropriations are provided solely to
the general administration for payment of principal, interest, and
financing expenses associated with the certificate of participation for
the O'Brien building improvement, project number (20081007).
NEW SECTION. Sec. 722. FOR THE OFFICE OF FINANCIAL MANAGEMENT--
STATE EMPLOYEES--INSURANCE BENEFITS

General Fund--State Appropriation (FY 2010) . . . . . . . . . . . . . . . . . $17,857,000
General Fund--State Appropriation (FY 2011) . . . . . . . . . . . . . . . . . $36,518,000
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . . . . . . . . $6,933,000
General Fund--Private/Local Appropriation . . . . . . . . . . . . . . . . . . . $503,000
Dedicated Funds and Accounts Appropriation . . . . . . . . . . . . . . . . . . $9,676,000
TOTAL Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $71,487,000

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

(1) The appropriations in this section are provided solely to increase agency and institution appropriations to reflect the increased insurance premium rates specified in part 9 of this act.

(2) The office of financial management shall increase allotments for all agencies and institutions by these amounts to reflect the amounts identified in LEAP document SWM 6M - 2009, a computerized tabulation developed by the legislative evaluation and accountability program committee on March 25, 2009.

NEW SECTION. Sec. 723. FOR THE OFFICE OF FINANCIAL MANAGEMENT--
STATE EMPLOYEES--CONTRIBUTIONS TO RETIREMENT SYSTEMS

General Fund--State Appropriation (FY 2010) . . . . . . . . . . . . . . . . . ($52,377,000)
General Fund--State Appropriation (FY 2011) . . . . . . . . . . . . . . . . . ($52,845,000)
General Fund--Federal Appropriation . . . . . . . . . . . . . . . . . . . . . . . ($23,053,000)
General Fund--Private/Local Appropriation . . . . . . . . . . . . . . . . . . . ($1,713,000)
Dedicated Funds and Accounts Appropriation . . . . . . . . . . . . . . . . . . ($33,193,000)
TOTAL Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . ($163,181,000)

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

(1) The appropriations in this section are provided solely to reduce agency and institution appropriations to reflect the retirement system employer contribution rate changes specified in Senate Bill No. . . . (retirement system funding).

(2) The office of financial management shall reduce allotments for all agencies and institutions by these amounts to reflect the amounts identified in LEAP document SWM Z9R - 2009, a computerized tabulation developed by the legislative evaluation and accountability program.
committee on March 26, 2009. The allotment reductions under this section shall be placed in unallotted status and remain unexpended.

NEW SECTION. Sec. 724. FOR THE OFFICE OF FINANCIAL MANAGEMENT--STATE TRANSPORTATION EMPLOYEES--INSURANCE BENEFITS
Dedicated Funds and Accounts Appropriation . . . . . . . . . . . . . $8,657,000

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

(1) The appropriation in this section is provided solely to increase transportation agency appropriations to reflect the increased insurance premium rates specified in part 9 of this act.

(2) The office of financial management shall increase allotments for all agencies and institutions by these amounts to reflect the amounts identified in LEAP document STC 6M - 2009, a computerized tabulation developed by the legislative evaluation and accountability program committee on March 25, 2009.

NEW SECTION. Sec. 725. FOR THE OFFICE OF FINANCIAL MANAGEMENT--STATE TRANSPORTATION EMPLOYEES--CONTRIBUTIONS TO RETIREMENT SYSTEMS
Dedicated Funds and Accounts Appropriation . . . . . . . . . . ($37,451,000)

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

(1) The appropriation in this section is provided solely to reduce transportation agency appropriations to reflect the retirement system employer contribution rate changes specified in Senate Bill No. . . . (retirement system funding).

(2) The office of financial management shall reduce allotments for all transportation agencies by these amounts to reflect the amounts identified in LEAP document STC Z9R - 2009, a computerized tabulation developed by the legislative evaluation and accountability program committee on March 25, 2009. The allotment reductions under this section shall be placed in unallotted status and remain unexpended.

NEW SECTION. Sec. 726. FOR THE OFFICE OF FINANCIAL MANAGEMENT--SCHOOL EMPLOYEES--CONTRIBUTIONS TO RETIREMENT SYSTEMS
General Fund--State Appropriation (FY 2010) . . . . . . . . . . ($135,472,000)

General Fund--State Appropriation (FY 2011) . . . . . . . . . . ($170,122,000)

General Fund--Federal Appropriation . . . . . . . . . . . . . . . . ($137,000)
The appropriations in this section are subject to the following conditions and limitations:

(1) The appropriations in this section are provided solely for adjustments to allocations to reflect the retirement system employer contribution rate changes specified in Senate Bill No. . . . (retirement system funding).

(2) The office of financial management shall reduce allotments for the office of the superintendent of public instruction by these amounts. The allotment reductions under this section shall be placed in unallotted status and remain unexpended.

(End of part)
NEW SECTION. Sec. 801. FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance premium distributions ............... $8,268,000
General Fund Appropriation for public utility district excise tax distributions ........ $50,504,000
General Fund Appropriation for prosecuting attorney distributions ............... $6,281,000
General Fund Appropriation for boating safety and education distributions .......... $4,854,000
General Fund Appropriation for other tax distributions ........................... $50,000
General Fund Appropriation for habitat conservation program distributions .......... $3,000,000
Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies ........ $2,544,000
Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution ................ $170,000
Timber Tax Distribution Account Appropriation for distribution to "timber" counties .......... $69,288,000
County Criminal Justice Assistance Appropriation .................. $66,374,000
Municipal Criminal Justice Assistance Appropriation ............. $25,622,000
City-County Assistance Account Appropriation for local government financial assistance distribution .......... $23,052,000
Liquor Excise Tax Account Appropriation for liquor excise tax distribution ........... $50,950,000
Streamline Sales and Use Tax Account Appropriation for distribution to local taxing jurisdictions to mitigate the unintended revenue redistribution effect of the sourcing law changes .................. $65,038,000
Columbia River Water Delivery Account Appropriation for the Confederated Tribes of the Colville Reservation ........ $7,308,000
Columbia River Water Delivery Account Appropriation for the Spokane Tribe of Indians ........ $4,676,000
Liquor Revolving Account Appropriation for liquor profits distribution ............... $80,435,000
Liquor Revolving Account Appropriation for additional liquor profits distribution to local governments ... $18,677,000
TOTAL APPROPRIATION ................. $487,105,000

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

NEW SECTION. Sec. 802. FOR THE STATE TREASURER--FOR THE COUNTY CRIMINAL JUSTICE ASSISTANCE ACCOUNT
Impaired Driver Safety Account Appropriation ............... $2,351,000

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2009-11 biennium in accordance with RCW 82.14.310. This funding is provided to counties for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

NEW SECTION. Sec. 803. FOR THE STATE TREASURER--FOR THE MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT
Impaired Driver Safety Account Appropriation ............... $1,543,000

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2009-11 biennium to all cities ratably based on population as last determined by the office of financial management. The distributions to any city that substantially decriminalizes or repeals its criminal code after July 1, 1990, and that does not reimburse the county for costs associated with criminal cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in
which the city is located. This funding is provided to cities for the 
costs of implementing criminal justice legislation including, but not 
limited to: Chapter 206, Laws of 1998 (drunk driving penalties); 
chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 
(deferred prosecution); chapter 209, Laws of 1998 (DUI/license 
suspension); chapter 210, Laws of 1998 (ignition interlock violations); 
chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 
(DUI penalties); chapter 213, Laws of 1998 (intoxication levels 
lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, 

NEW SECTION. Sec. 804. FOR THE STATE TREASURER--FEDERAL REVENUES
FOR DISTRIBUTION

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

The total expenditures from the state treasury under the 
appropriations in this section shall not exceed the funds available 
under statutory distributions for the stated purposes.

NEW SECTION. Sec. 805. FOR THE STATE TREASURER--TRANSFERS.

Performance Audits of Government Account: For transfer 
to the state general fund for fiscal year 2010 .......$15,000,000
State Treasurer's Service Account: For transfer to the 
state general fund, $10,400,000 for fiscal year 2010 and 
$10,400,000 for fiscal year 2011 ...............$20,800,000
Waste Reduction, Recycling and Litter Control Account: For 
transfer to the state general fund, $2,000,000 for fiscal 
year 2010 and $2,000,000 for fiscal year 2011 .......$4,000,000
State Toxics Control Account: For transfer to the state 
general fund, $15,340,000 for fiscal year 2010 and 
$14,400,000 for fiscal year 2011 ...............$29,740,000
Local Toxics Control Account: For transfer to the state 
general fund, $36,530,000 for fiscal year 2010 and
$36,530,000 for fiscal year 2011 ............... $73,060,000

Education Construction Account: For transfer to the state

general fund, $91,150,000 for fiscal year 2010 and
$91,150,000 for fiscal year 2011 ............... $182,300,000

Nisqually Earthquake Account: For transfer to the disaster
response account for fiscal year 2010 ............. $500,000

Drinking Water Assistance Account: For transfer to the
drinking water assistance repayment account ........ $28,600,000

Public Works Assistance Account: For transfer to the
drinking water assistance account, $4,000,000 for
fiscal year 2010 and $4,000,000 for fiscal
year 2011 ...................... $8,000,000

Public Works Assistance Account: For transfer to the
city-county assistance account, $5,000,000 on
July 1, 2009, and $5,000,000 on July 1, 2010 .......... $10,000,000

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

Tobacco Settlement Account: For transfer to the state
general fund, in an amount not to exceed by more than
$26,000,000 the actual amount of the annual base payment to
the tobacco settlement account .............. $203,843,000

Tobacco Settlement Account: For transfer to the life
sciences discovery fund, in an amount not to exceed
$26,000,000 less than the strategic contribution
supplemental payment to the tobacco settlement
account .................. $38,606,000

State General Fund: For transfer to the tobacco
prevention and control account for fiscal
year 2010 ....................... $1,224,000

General Fund: For transfer to the streamline sales and
use tax account, $31,447,000 for fiscal year 2010 and
$33,591,000 for fiscal year 2011 ................. $65,038,000

Energy Freedom Account: For transfer to the
general fund, $3,000,000 for fiscal year
2010 and $3,000,000 for fiscal year 2011 ............ $6,000,000

The Charitable, Educational, Penal, and Reformatory
Institutions Account: For transfer to the state
general fund, $4,250,000 for fiscal year 2010 and
$4,250,000 for fiscal year 2011 .................. $8,500,000
Thurston County Capital Facilities Account: For
transfer to the state general fund, $4,194,000 for
fiscal year 2010 and $4,194,000 for fiscal year
2011 .................. $8,388,000
State Forest Nursery Revolving Account: For transfer to the state
general fund, $500,000 for fiscal year 2010 and $200,000
for fiscal year 2011 .................. $700,000
State Emergency Water Projects Revolving Account: For transfer
to the state general fund, $390,000 for fiscal
year 2011 .................. $390,000
Economic Development Strategic Reserve Account: For
transfer to the state general fund, $3,250,000 for fiscal
year 2010 and $3,250,000 for fiscal year 2011 ........ $6,500,000
Department of Retirement Systems Expense Account:
For transfer to the state general fund, $1,500,000
for fiscal year 2011 .................. $1,500,000
Judicial Information System Account: For transfer to
the state general fund, $2,500,000 for fiscal
year 2010 and $2,500,000 for fiscal year 2011 ........ $5,000,000
State Convention and Trade Center Account: For transfer
to the state general fund, $18,465,000 for fiscal
year 2010 and $18,685,000 for fiscal year 2011 ........ $37,150,000
Liquor Revolving Account: For transfer to the state
general fund, $30,000,000 for fiscal year 2010 and
$30,000,000 for fiscal year 2011 ........ ....... $60,000,000
Aquatic Lands Enhancement Account: For transfer to
the general fund, $4,300,000 for fiscal year
2010 and $4,300,000 for fiscal year 2011 ........ ....... $8,600,000
(End of part)
NEW SECTION. Sec. 901. EXPENDITURE AUTHORIZATIONS. The appropriations contained in this act are maximum expenditure authorizations. Pursuant to RCW 43.88.037, moneys disbursed from the treasury on the basis of a formal loan agreement shall be recorded as loans receivable and not as expenditures for accounting purposes. To the extent that moneys are disbursed on a loan basis, the corresponding appropriation shall be reduced by the amount of loan moneys disbursed from the treasury during the 2007-2009 biennium.

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

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

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

(a) System refurbishment, acquisitions, and development efforts;
(b) Setting goals and objectives for using information technology in meeting legislatively-mandated missions and business needs;
(c) Assessment of overall information processing performance, resources, and capabilities;
(d) Ensuring appropriate transfer of technological expertise for the operation of any new systems developed using external resources; and
(e) Progress toward enabling electronic access to public information.
(3) Each project will be planned and designed to take optimal advantage of Internet technologies and protocols. Agencies shall ensure that the project is in compliance with the architecture, infrastructure, principles, policies, and standards of digital government as maintained by the information services board.

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

(5) The agency shall produce a comprehensive management plan for each project. The plan or plans shall address all factors critical to successful completion of each project. The plan(s) shall include, but is not limited to, the following elements: A description of the problem or opportunity that the information technology project is intended to address; a statement of project objectives and assumptions; a definition and schedule of phases, tasks, and activities to be accomplished; and the estimated cost of each phase. The planning for the phased approach shall be such that the business case justification for a project needs to demonstrate how the project recovers cost or adds measurable value or positive cost benefit to the agency's business functions within each development cycle.

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

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

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

NEW SECTION. Sec. 903. INFORMATION TECHNOLOGY ENTERPRISE SERVICES. Agencies may make use of the department of information services when acquiring information technology services, products, and assets.

"Information technology services" means the acquisition, provisioning, or approval of hardware, software, and purchased or personal services provided by the department of information services.

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

NEW SECTION. Sec. 904. VIDEO TELECOMMUNICATIONS. The department of information services shall act as lead agency in coordinating video telecommunications services for state agencies. As lead agency, the department shall develop standards and common specifications for leased and purchased telecommunications equipment and assist state agencies in
developing a video telecommunications expenditure plan. No agency may spend any portion of any appropriation in this act for new video telecommunication equipment, new video telecommunication transmission, or new video telecommunication programming, or for expanding current video telecommunication systems without first complying with chapter 43.105 RCW, including but not limited to, RCW 43.105.041(2), and without first submitting a video telecommunications expenditure plan, in accordance with the policies of the department of information services, for review and assessment by the department of information services under RCW 43.105.052. Prior to any such expenditure by a public school, a video telecommunications expenditure plan shall be approved by the superintendent of public instruction. The office of the superintendent of public instruction shall submit the plans to the department of information services in a form prescribed by the department. The office of the superintendent of public instruction shall coordinate the use of video telecommunications in public schools by providing educational information to local school districts and shall assist local school districts and educational service districts in telecommunications planning and curriculum development. Prior to any such expenditure by a public institution of postsecondary education, a telecommunications expenditure plan shall be approved by the higher education coordinating board. The higher education coordinating board shall coordinate the use of video telecommunications for instruction and instructional support in postsecondary education, including the review and approval of instructional telecommunications course offerings.

NEW SECTION. Sec. 905. PRINT ASSESSMENTS. The department of printing shall conduct print assessments of agencies in order to identify opportunities for financial savings and efficiencies and to eliminate redundancies and create consistencies in the printing of state materials. When conducting a print assessment, agencies shall work with the department of printing and provide the necessary information in order for the department to assess costs related to office convenience and production printing, in-house printing facilities and related costs for services, equipment and supplies, and third-party printing costs.
NEW SECTION. Sec. 906. CENTRAL SERVICES. The governor shall convene a work group consisting of representatives from the central service agencies and their clients to collaborate on methods for providing commonly needed services to state agencies, including, but not limited to: Human resource management, employee benefits, payroll, accounting, purchasing, information technology, real estate services, facility management, building and grounds maintenance, fleet management, printing services, and office mail distribution. The work group should consider the experience of other states and large organizations and should identify opportunities to improve service delivery and reduce costs, including, but not limited to:

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

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

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

NEW SECTION. Sec. 908. EMERGENCY FUND ALLOCATIONS. Whenever allocations are made from the governor's emergency fund appropriation to an agency that is financed in whole or in part by other than general fund moneys, the director of financial management may direct the repayment of such allocated amount to the general fund from any balance in the fund or funds which finance the agency. No appropriation shall be necessary to effect such repayment.
NEW SECTION. Sec. 909. STATUTORY APPROPRIATIONS. In addition to the amounts appropriated in this act for revenues for distribution, state contributions to the law enforcement officers' and fire fighters' retirement system plan 2, and bond retirement and interest including ongoing bond registration and transfer charges, transfers, interest on registered warrants, and certificates of indebtedness, there is also appropriated such further amounts as may be required or available for these purposes under any statutory formula or under chapters 39.94 and 39.96 RCW or any proper bond covenant made under law.

NEW SECTION. Sec. 910. BOND EXPENSES. In addition to such other appropriations as are made by this act, there is hereby appropriated to the state finance committee from legally available bond proceeds in the applicable construction or building funds and accounts such amounts as are necessary to pay the expenses incurred in the issuance and sale of the subject bonds.

NEW SECTION. Sec. 911. VOLUNTARY RETIREMENT, SEPARATION, AND DOWNSHIFTING INCENTIVES. As a management tool to reduce costs and make more effective use of resources, while improving employee productivity and morale, agencies may implement a voluntary retirement, separation, and/or downshifting incentive program that is cost neutral or results in cost savings, provided that such a program is approved by the director of financial management.

Agencies participating in this authorization may offer voluntary retirement, separation, and/or downshifting incentives and options according to procedures and guidelines established by the office of financial management, in consultation with the department of personnel and the department of retirement systems. The options may include, but are not limited to, financial incentives for: Voluntary separation or retirement, voluntary leave-without-pay, voluntary workweek or work hour reduction, voluntary downward movement, or temporary separation for development purposes. An employee does not have a contractual right to a financial incentive offered pursuant to this section.

Offers shall be reviewed and monitored jointly by the department of personnel and the department of retirement systems. Agencies are required to submit a report by June 30, 2011, to the legislature and the office of financial management on the outcome of their approved
incentive program. The report should include information on the
details of the program including resulting service delivery changes,
age agency efficiencies, the cost of the incentive per participant, the
total cost to the state, and the projected or actual net dollar savings
over the 2009-11 biennium.

NEW SECTION. Sec. 912. ADMINISTRATIVE REDUCTIONS. (1) The
appropriations in this act reflect significant reductions in the
appropriations for the administrative expenses of state government. It
is the intent of the legislature that these reductions shall be
achieved, to the greatest extent possible, by reducing those
administrative costs that do not affect direct client services or
direct service delivery or programs.

(2) To the extent permitted by the applicable personnel system
rules, and to the extent collectively bargained with represented
employees where applicable, the agencies and institutions of state
government are encouraged to achieve the reductions in full-time-
equivalent employment and payroll levels necessary to operate within
these appropriations through strategies that will minimize impacts on
employees, their families, their communities, and short- and long-term
accomplishment of the agency's mission. Agencies are encouraged to use
strategies such as reduced work-hours per day or week, voluntary leave
without pay, and temporary furloughs that enable employees to maintain
permanent employment status. Agencies are further encouraged to
implement such strategies in ways that will enable employees to
maintain full insurance benefits, full accrual of retirement service
credit, and a living wage.

NEW SECTION. Sec. 913. COMPENSATION--INSURANCE BENEFITS.
Appropriations for state agencies in this act are sufficient for
nonrepresented and represented state employee health benefits for state
agencies, including institutions of higher education and are subject to
the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit
premiums, public employees' benefits board administration, and the
uniform medical plan, shall not exceed $745 per eligible employee for
fiscal year 2010. For fiscal year 2011 the monthly employer funding
rate shall not exceed $768 per eligible employee.
In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or make other changes to benefits consistent with RCW 41.05.065. Except as provided in subsection (1)(c) of this section, during the 2009-11 fiscal biennium, the board may only authorize benefit plans and premium contributions for an employee and the employee's dependents that are the same, regardless of an employee's status as represented or nonrepresented under the personnel system reform act of 2002.

Collective bargaining agreements negotiated for the 2007-09 fiscal biennium as part of the super coalition under chapter 41.80 RCW include employer contributions to health insurance premiums at 88 percent of the cost. In the absence of collective bargaining agreements for the 2009-11 fiscal biennium, this distribution of costs for super coalition represented employees continues until the end of fiscal year 2010. If no new collective bargaining agreements governing health care cost-sharing for super coalition or other represented employees are implemented for the 2009-2011 fiscal biennium, to ensure that represented employees whose contracts call for them to bear no more than an average of 12 percent of the cost of health benefits do not pay more than required by their contracts, during the first six months of calendar year 2010 a rebate shall be provided to these employees for any difference between the percentage of costs charged to employees for health care and associated benefits between January 1, 2010, and June 30, 2010, and the cost-sharing amount allowed under their contract.

The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

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

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. From January 1, 2010, through December 31, 2010, the subsidy shall be $182.89. Starting January 1, 2011, the subsidy shall be $182.89 per month.

(3) Technical colleges, school districts, and educational service districts shall remit to the health care authority for deposit into the public employees' and retirees' insurance account established in RCW 41.05.120 the following amounts:

(a) For each full-time employee, $59.59 per month beginning September 1, 2009, and $64.90 beginning September 1, 2010;

(b) For each part-time employee, who at the time of the remittance is employed in an eligible position as defined in RCW 41.32.010 or 41.40.010 and is eligible for employer fringe benefit contributions for basic benefits, $59.59 each month beginning September 1, 2009, and $64.90 beginning September 1, 2010, prorated by the proportion of employer fringe benefit contributions for a full-time employee that the part-time employee receives. The remittance requirements specified in this subsection shall not apply to employees of a technical college, school district, or educational service district who purchase insurance benefits through contracts with the health care authority.

NEW SECTION. Sec. 914. COMPENSATION--REVISE PENSION CONTRIBUTION RATES. The appropriations for school districts and state agencies, including institutions of higher education are subject to the following conditions and limitations: Appropriations are adjusted to reflect changes to agency appropriations to reflect savings resulting from changes to pension funding as provided in Z-.../09 (revise pension funding). If the bill is not enacted by June 30, 2009, this section shall lapse.

NEW SECTION. Sec. 915. COLLECTIVE BARGAINING AGREEMENTS NOT IMPAIRED. Nothing in this act or chapter 5 (ESSB 5460), Laws of 2009 prohibits the expenditure of any funds by an agency or institution of
the state for benefits guaranteed by any collective bargaining agreement in effect on the effective date of chapter 5, Laws of 2009 (February 18, 2009).

NEW SECTION. Sec. 916. GAMBLING COMMISSION. The state gambling commission must take any actions that are necessary to ensure that its rules and other interpretive statements are consistent with Senate Bill No. 6152 (definition of gambling).

Sec. 917. RCW 2.68.020 and 2005 c 282 s 11 are each amended to read as follows:

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

Sec. 918. RCW 28A.500.030 and 2006 c 372 s 904 are each amended to read as follows:

Allocation of state matching funds to eligible districts for local effort assistance shall be determined as follows:

(1) Funds raised by the district through maintenance and operation levies shall be matched with state funds using the following ratio of state funds to levy funds:
(a) The difference between the district's twelve percent levy rate and the statewide average twelve percent levy rate; to

(b) The statewide average twelve percent levy rate.

(2) The maximum amount of state matching funds for districts eligible for local effort assistance shall be the district's twelve percent levy amount, multiplied by the following percentage:

(a) The difference between the district's twelve percent levy rate and the statewide average twelve percent levy rate; divided by

(b) The district's twelve percent levy rate.

(3) Calendar year 2003 allocations and maximum eligibility under this chapter shall be multiplied by 0.99.

(4) From January 1, 2004, to December 31, 2005, allocations and maximum eligibility under this chapter shall be multiplied by 0.937.

(5) From January 1, 2006, to December 31, 2006, allocations and maximum eligibility under this chapter shall be multiplied by 0.9563. Beginning with calendar year 2007, allocations and maximum eligibility under this chapter shall be fully funded at one hundred percent and shall not be reduced except as provided in this section.

(6) From January 1, 2010, through December 31, 2010, allocations and maximum eligibility under this chapter shall be multiplied by 0.2596.

(7) From January 1, 2011, through December 31, 2011, allocations and maximum eligibility under this chapter shall be multiplied by 0.2519.

**Sec. 919.** RCW 28B.76.660 and 2005 c 518 s 917 are each amended to read as follows:

(1) Recipients of the Washington scholars award or the Washington scholars-alternate award under RCW 28A.600.100 through 28A.600.150 who choose to attend an independent college or university in this state, as defined in subsection (4) of this section, and recipients of the award named after June 30, 1994, who choose to attend a public college or university in the state may receive grants under this section if moneys are available. The higher education coordinating board shall distribute grants to eligible students under this section from moneys appropriated for this purpose. The individual grants shall not exceed, on a yearly basis, the yearly, full-time, resident, undergraduate tuition and service and activities fees in effect at the state-funded
research universities. Grants to recipients attending an independent institution shall be contingent upon the institution matching on at least a dollar-for-dollar basis, either with actual money or by a waiver of fees, the amount of the grant received by the student from the state. The higher education coordinating board shall establish procedures, by rule, to disburse the awards as direct grants to the students.

(2) The higher education coordinating board shall establish rules that provide for the annual awarding of grants, if moneys are available, to three Washington scholars per legislative district, except for (fiscal year 2007) the academic year beginning in 2010 when no new scholars (per district) shall be selected; and, if not used by an original recipient, to the Washington scholars-alternate from the same legislative district.

Beginning with scholars selected in the year 2000, if the recipients of grants fail to demonstrate in a timely manner that they will enroll in a Washington institution of higher education in the fall term of the academic year following the award of the grant or are deemed by the higher education coordinating board to have withdrawn from college during the first academic year following the award, then the grant shall be considered relinquished. The higher education coordinating board may then award any remaining grant amounts to the Washington scholars-alternate from the same legislative district if the grants are awarded within one calendar year of the recipient being named a Washington scholars-alternate. Washington scholars-alternates named as recipients of the grant must also demonstrate in a timely manner that they will enroll in a Washington institution of higher education during the next available term, as determined by the higher education coordinating board. The board may accept appeals and grant waivers to the enrollment requirements of this section based on exceptional mitigating circumstances of individual grant recipients.

To maintain eligibility for the grants, recipients must maintain a minimum grade point average at the college or university equivalent to 3.30. Students shall be eligible to receive a maximum of twelve quarters or eight semesters of grants for undergraduate study and may transfer among in-state public and independent colleges and universities during that period and continue to receive the grant as provided under RCW 28B.76.665. If the student's cumulative grade point
average falls below 3.30 during the first three quarters or two semesters, that student may petition the higher education coordinating board which shall have the authority to establish a probationary period until such time as the student's grade point average meets required standards.

(3) No grant shall be awarded to any student who is pursuing a degree in theology.

(4) As used in this section, "independent college or university" means a private, nonprofit educational institution, the main campus of which is permanently situated in the state, open to residents of the state, providing programs of education beyond the high school level leading at least to the baccalaureate degree, and accredited by the northwest association of schools and colleges as of June 9, 1988, and other institutions as may be developed that are approved by the higher education coordinating board as meeting equivalent standards as those institutions accredited under this section.

(5) As used in this section, "public college or university" means an institution of higher education as defined in RCW 28B.10.016.

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

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

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

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

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

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

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

Sec. 921. RCW 38.52.106 and 2008 c 329 s 909 are each amended to
read as follows:

The Nisqually earthquake account is created in the state treasury.
Moneys may be placed in the account from tax revenues, budget transfers
or appropriations, federal appropriations, gifts, or any other lawful
source. Moneys in the account may be spent only after appropriation.
Moneys in the account shall be used only to support state and local
government disaster response and recovery efforts associated with the
Nisqually earthquake. During the 2003-2005 fiscal biennium, the
legislature may transfer moneys from the Nisqually earthquake account
to the disaster response account for fire suppression and mobilization
costs. During the 2007-2009 fiscal biennium, moneys in the account may
also be used to support disaster response and recovery efforts
associated with flood and storm damage. During the 2009-2011 fiscal
biennium, the legislature may transfer moneys from the Nisqually
earthquake account to the disaster response account for disaster
response and recovery efforts associated with flood and storm damage.

Sec. 922. RCW 41.48.060 and 1991 sp.s. c 13 s 112 are each amended
to read as follows:

(1) There is hereby established a special account in the state
treasury to be known as the OASI contribution account. Such account
shall consist of and there shall be deposited in such account: (a) All
contributions and penalties collected under RCW 41.48.040 and
41.48.050; (b) all moneys appropriated thereto under this chapter; (c)
any property or securities belonging to the account; and (d) all sums
recovered upon the bond of the custodian or otherwise for losses
sustained by the account and all other moneys received for the account
from any other source. All moneys in the account shall be mingled and
undivided. Subject to the provisions of this chapter, the governor is
vested with full power, authority and jurisdiction over the account,
including all moneys and property or securities belonging thereto, and
may perform any and all acts whether or not specifically designated,
which are necessary to the administration thereof and are consistent
with the provisions of this chapter. During the 2009-2011 fiscal
biennium, moneys in the OASI contribution account may also be
transferred into the OASI revolving fund.

(2) The OASI contribution account shall be established and held
separate and apart from any other funds of the state and shall be used
and administered exclusively for the purpose of this chapter.
Withdrawals from such account shall be made for, and solely for (a)
payment of amounts required to be paid to the secretary of the treasury
pursuant to an agreement entered into under RCW 41.48.030; (b) payment
of refunds provided for in RCW 41.48.040(3); and (c) refunds of
overpayments, not otherwise adjustable, made by a political subdivision
or instrumentality.

(3) From the OASI contribution account the custodian of the fund
shall pay to the secretary of the treasury such amounts and
at such time or times as may be directed by the governor in accordance
with any agreement entered into under RCW 41.48.030 and the social
security act.

(4) The treasurer of the state shall be ex officio treasurer and
custodian of the OASI contribution account and shall administer such
account in accordance with the provisions of this chapter and the
directions of the governor and shall pay all warrants drawn upon it in
accordance with the provisions of this section and with the regulations
as the governor may prescribe pursuant thereto.

Sec. 923. RCW 41.50.110 and 2008 c 329 s 911 are each amended to
read as follows:

(1) Except as provided by RCW 41.50.255 and subsection (6) of this
section, all expenses of the administration of the department, the
expenses of administration of the retirement systems, and the expenses
of the administration of the office of the state actuary created in
chapters 2.10, 2.12, 41.26, 41.32, 41.40, 41.34, 41.35, 41.37, 43.43,
and 44.44 RCW shall be paid from the department of retirement systems
expense fund.

(2) In order to reimburse the department of retirement systems
expense fund on an equitable basis the department shall ascertain and
report to each employer, as defined in RCW 41.26.030, 41.32.010, 41.35.010, 41.37.010, or 41.40.010, the sum necessary to defray its proportional share of the entire expense of the administration of the retirement system that the employer participates in during the ensuing biennium or fiscal year whichever may be required. Such sum is to be computed in an amount directly proportional to the estimated entire expense of the administration as the ratio of monthly salaries of the employer's members bears to the total salaries of all members in the entire system. It shall then be the duty of all such employers to include in their budgets or otherwise provide the amounts so required.

(3) The department shall compute and bill each employer, as defined in RCW 41.26.030, 41.32.010, 41.35.010, 41.37.010, or 41.40.010, at the end of each month for the amount due for that month to the department of retirement systems expense fund and the same shall be paid as are its other obligations. Such computation as to each employer shall be made on a percentage rate of salary established by the department. However, the department may at its discretion establish a system of billing based upon calendar year quarters in which event the said billing shall be at the end of each such quarter.

(4) The director may adjust the expense fund contribution rate for each system at any time when necessary to reflect unanticipated costs or savings in administering the department.

(5) An employer who fails to submit timely and accurate reports to the department may be assessed an additional fee related to the increased costs incurred by the department in processing the deficient reports. Fees paid under this subsection shall be deposited in the retirement system expense fund.

(a) Every six months the department shall determine the amount of an employer's fee by reviewing the timeliness and accuracy of the reports submitted by the employer in the preceding six months. If those reports were not both timely and accurate the department may prospectively assess an additional fee under this subsection.

(b) An additional fee assessed by the department under this subsection shall not exceed fifty percent of the standard fee.

(c) The department shall adopt rules implementing this section.

(6) Expenses other than those under RCW 41.34.060(3) shall be paid pursuant to subsection (1) of this section.
(7) During the 2007-2009 and 2009-2011 fiscal biennia, the legislature may transfer from the department of retirement systems' expense fund to the state general fund such amounts as reflect the excess fund balance of the fund.

**Sec. 924.** RCW 43.08.190 and 2008 c 329 s 912 are each amended to read as follows:

There is hereby created a fund within the state treasury to be known as the "state treasurer's service fund." Such fund shall be used solely for the payment of costs and expenses incurred in the operation and administration of the state treasurer's office.

Moneys shall be allocated monthly and placed in the state treasurer's service fund equivalent to a maximum of one percent of the trust and treasury average daily cash balances from the earnings generated under the authority of RCW 43.79A.040 and 43.84.080 other than earnings generated from investment of balances in funds and accounts specified in RCW 43.79A.040 or 43.84.092(4). The allocation shall precede the distribution of the remaining earnings as prescribed under RCW 43.79A.040 and 43.84.092. The state treasurer shall establish a uniform allocation rate based on the appropriations for the treasurer's office.

During the 2009-2011 fiscal biennium, the legislature may transfer from the state treasurer's service fund to the state general fund such amounts as reflect the excess fund balance of the fund.

**Sec. 925.** RCW 43.09.475 and 2006 c 1 s 5 are each amended to read as follows:

The performance audits of government account is hereby created in the custody of the state treasurer. Revenue identified in RCW 82.08.020(5) and 82.12.0201 shall be deposited in the account. Money in the account shall be used to fund the performance audits and follow-up performance audits under RCW 43.09.470 and shall be expended by the state auditor in accordance with chapter 1, Laws of 2006. Only the state auditor or the state auditor's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. **During the 2009-2011 fiscal biennium, the**
legislature may transfer from the performance audits of government account to the state general fund such amounts as deemed to be appropriate or necessary. In addition, during the 2009-2011 fiscal biennium, the legislature may appropriate moneys from the performance audits of government account for governmental management, evaluation, accountability, and performance audit programs.

Sec. 926. RCW 43.10.180 and 2007 c 522 s 951 are each amended to read as follows:

(1) The attorney general shall keep such records as are necessary to facilitate proper allocation of costs to funds and agencies served and the director of financial management shall prescribe appropriate accounting procedures to accurately allocate costs to funds and agencies served. Billings shall be adjusted in line with actual costs incurred at intervals not to exceed six months.

(2) During the (2007-2009) 2009-2011 fiscal biennium, all expenses for administration of the office of the attorney general shall be allocated to and paid from the legal services revolving fund in accordance with accounting procedures prescribed by the director of financial management.

Sec. 927. RCW 43.19.501 and 2008 c 328 s 6016 are each amended to read as follows:

The Thurston county capital facilities account is created in the state treasury. The account is subject to the appropriation and allotment procedures under chapter 43.88 RCW. Moneys in the account may be expended for capital projects in facilities owned and managed by the department of general administration in Thurston county. For the 2007-2009 biennium, moneys in the account may be used for predesign identified in section 1037, chapter 328, Laws of 2008.

During the 2009-2011 fiscal biennium, the legislature may transfer from the Thurston county capital facilities account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 928. RCW 43.30.720 and 2003 1st sp.s. c 25 s 938 are each amended to read as follows:

All receipts from the sale of stock or seed shall be deposited in
a state forest nursery revolving fund to be maintained by the
department, which is hereby authorized to use all money in said fund
for the maintenance of the state tree nursery or the planting of
denuded state owned lands.

During the ((2003-2005)) 2009-2011 fiscal biennium, the legislature
may transfer from the state forest nursery revolving fund to the state
general fund such amounts as reflect the excess fund balance of the
fund.

Sec. 929. RCW 43.79.201 and 1995 c 399 s 77 are each amended to
read as follows:

(1) The charitable, educational, penal and reformatory institutions
account is hereby created, in the state treasury, into which account
there shall be deposited all moneys arising from the sale, lease or
transfer of the land granted by the United States government to the
state for charitable, educational, penal and reformatory institutions
by section 17 of the enabling act, or otherwise set apart for such
institutions, except all moneys arising from the sale, lease, or
transfer of that certain one hundred thousand acres of such land
assigned for the support of the University of Washington by chapter 91,
Laws of 1903 and section 9, chapter 122, Laws of 1893.

(2) If feasible, not less than one-half of all income to the
charitable, educational, penal, and reformatory institutions account
shall be appropriated for the purpose of providing housing, including
repair and renovation of state institutions, for persons ((who are
mentally ill, developmentally disabled)) with mental illness or
developmental disabilities, or youth who are blind, deaf, or otherwise
disabled. If moneys are appropriated for community-based housing, the
moneys shall be appropriated to the department of community, trade, and
economic development for the housing assistance program under chapter
43.185 RCW. During the 2009-2011 fiscal biennium, the legislature may
transfer from the charitable, educational, penal and reformatory
institutions account to the state general fund such amounts as reflect
excess fund balance of the fund.

Sec. 930. RCW 43.79.480 and 2005 c 424 s 12 are each amended to
read as follows:

(1) Moneys received by the state of Washington in accordance with
the settlement of the state's legal action against tobacco product
manufacturers, exclusive of costs and attorneys' fees, shall be
deposited in the tobacco settlement account created in this section
except as these moneys are sold or assigned under chapter 43.340 RCW.

(2) The tobacco settlement account is created in the state
treasury. Moneys in the tobacco settlement account may only be
transferred to the health services account for the purposes set forth
in RCW 43.72.900, and to the tobacco prevention and control account for
purposes set forth in this section. The legislature shall transfer
amounts received as strategic contribution payments as defined in RCW
43.350.010 to the life sciences discovery fund created in RCW
43.350.070. During the 2009-2011 fiscal biennium, the legislature may
transfer less than the entire strategic contribution payments.

(3) The tobacco prevention and control account is created in the
state treasury. The source of revenue for this account is moneys
transferred to the account from the tobacco settlement account,
investment earnings, donations to the account, and other revenues as
directed by law. Expenditures from the account are subject to
appropriation.

Sec. 931. RCW 43.79.460 and 2009 c 4 s 902 are each amended to
read as follows:

(1) The savings incentive account is created in the custody of the
state treasurer. The account shall consist of all moneys appropriated
to the account by the legislature. The account is subject to the
allotment procedures under chapter 43.88 RCW, but no appropriation is
required for expenditures from the account.

(2) Within the savings incentive account, the state treasurer may
create subaccounts to be credited with incentive savings attributable
to individual state agencies, as determined by the office of financial
management in consultation with the legislative fiscal committees.
Moneys deposited in the subaccounts may be expended only on the
authorization of the agency's executive head or designee and only for
the purpose of one-time expenditures to improve the quality,
efficiency, and effectiveness of services to customers of the state,
such as one-time expenditures for employee training, employee
incentives, technology improvements, new work processes, or performance
measurement. Funds may not be expended from the account to establish new programs or services, expand existing programs or services, or incur ongoing costs that would require future expenditures.

(3) For purposes of this section, "incentive savings" means state general fund appropriations that are unspent as of June 30th of a fiscal year, excluding any amounts included in across-the-board reductions under RCW 43.88.110 and excluding unspent appropriations for:

(a) Caseload and enrollment in entitlement programs, except to the extent that an agency has clearly demonstrated that efficiencies have been achieved in the administration of the entitlement program. "Entitlement program," as used in this section, includes programs for which specific sums of money are appropriated for pass-through to third parties or other entities;

(b) Enrollments in state institutions of higher education;

(c) A specific amount contained in a condition or limitation to an appropriation in the biennial appropriations act, if the agency did not achieve the specific purpose or objective of the condition or limitation;

(d) Debt service on state obligations; and

(e) State retirement system obligations.

(4) The office of financial management, after consulting with the legislative fiscal committees, shall report to the treasurer the amount of savings incentives achieved. By December 1, (1998) 2010, and each December 1st thereafter, the office of financial management shall submit a report to the fiscal committees of the legislature on the implementation of this section. The report shall (a) evaluate the impact of this section on agency reversions and end-of-biennium expenditure patterns, and (b) itemize agency expenditures from the savings recovery account. The office of financial management is relieved from having to submit a report by December 1, 2008.

(5) For fiscal year 2009, the legislature may transfer from the savings incentive account to the state general fund such amounts as reflect the fund balance of the account attributable to unspent state general fund appropriations for fiscal year 2008.

Sec. 932. RCW 43.83B.360 and 1991 sp.s. c 13 s 33 are each amended to read as follows:
The proceeds from the sale of bonds authorized by RCW 43.83B.300, and 43.83B.355 through 43.83B.375 shall be deposited in the state emergency water projects revolving account, hereby created in the state treasury, and shall be used exclusively for the purposes specified in RCW 43.83B.300, and 43.83B.355 through 43.83B.375 and for the payment of expenses incurred in the issuance and sale of such bonds. During the 2009-2011 fiscal biennium, the legislature may transfer from the state emergency water projects revolving account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 933. RCW 43.135.045 and 2007 c 520 s 6035 and 2007 c 484 s 5 are each reenacted and amended to read as follows:

(1) The student achievement fund is hereby created in the state treasury.

(2) The education construction fund is hereby created in the state treasury.

(a) Funds may be appropriated from the education construction fund exclusively for common school construction or higher education construction. During the 2007-2009 fiscal biennium, funds may also be used for higher education facilities preservation and maintenance. During the 2009-2011 fiscal biennium, the legislature may transfer from the education construction fund to the state general fund such amounts as reflect the excess fund balance of the fund.

(b) Funds may be appropriated for any other purpose only if approved by a two-thirds vote of each house of the legislature and if approved by a vote of the people at the next general election. An appropriation approved by the people under this subsection shall result in an adjustment to the state expenditure limit only for the fiscal period for which the appropriation is made and shall not affect any subsequent fiscal period.

(3) Funds from the student achievement fund shall be appropriated to the superintendent of public instruction strictly for distribution to school districts to meet the provisions set out in the student achievement act. Allocations shall be made on an equal per full-time equivalent student basis to each school district.

Sec. 934. RCW 43.155.050 and 2008 c 328 s 6002 are each amended to read as follows:
(1) The public works assistance account is hereby established in the state treasury. Money may be placed in the public works assistance account from the proceeds of bonds when authorized by the legislature or from any other lawful source. Money in the public works assistance account shall be used to make loans and to give financial guarantees to local governments for public works projects. Moneys in the account may also be appropriated to provide for state match requirements under federal law for projects and activities conducted and financed by the board under the drinking water assistance account. Not more than fifteen percent of the biennial capital budget appropriation to the public works board from this account may be expended or obligated for preconstruction loans, emergency loans, or loans for capital facility planning under this chapter; of this amount, not more than ten percent of the biennial capital budget appropriation may be expended for emergency loans and not more than one percent of the biennial capital budget appropriation may be expended for capital facility planning loans. ((For the 2007-2009 biennium, moneys in the account may be used for grants for projects identified in section 138, chapter 488, Laws of 2005, for the infrastructure investment system implementation plan identified in section 1022, chapter 328, Laws of 2008; for the interest rate buy-down pilot program identified in section 1004, chapter 328, Laws of 2008; and for the housing assistance, weatherization, and affordable housing program identified in section 1005, chapter 328, Laws of 2008.)) During the 2009-2011 fiscal biennium, the legislature may transfer from the public works assistance account to the general fund and the city-county assistance account such amounts as reflect the excess fund balance of the account.

(2) The job development fund is hereby established in the state treasury. ((Up to fifty million dollars each biennium from the public works assistance account may be transferred into the job development fund. Money in the job development fund may be used solely for job development fund program grants, administrative expenses related to the administration of the job development fund program created in RCW 43.160.230, and for the report prepared by the joint legislative audit and review committee pursuant to RCW 44.28.801(2).)) Moneys in the job development fund may be spent only after appropriation. ((The board shall prepare a prioritized list of proposed projects of up to fifty million dollars as part of the department's 2007-09 biennial budget..."
request. The board may provide an additional alternate job development fund project list of up to ten million dollars. The legislature may remove projects from the list recommended by the board. The legislature may not change the prioritization of projects recommended for funding by the board, but may add projects from the alternate list in order of priority, as long as the total funding does not exceed fifty million dollars.}

(3) This section expires June 30, 2011.

Sec. 935. RCW 43.215.125 and 2008 c 164 s 2 are each amended to read as follows:

(1) ((Within existing funds)) For the 2009-2011 fiscal biennium, to the extent funds are appropriated for this purpose, the department shall develop a proposal for implementing a statewide Washington head start program. To the extent possible while maintaining quality standards, the proposal should align the state early childhood education and assistance program with federal head start program eligibility criteria, guidelines, performance standards, and methods/processes for ensuring continuous improvement in program quality. In this proposal, the department shall make recommendations that:

(a) Identify federal head start program guidelines, performance measures and standards, or other requirements for which state flexibility would be recommended. This shall include an analysis of how state flexibility may impact outcomes for children and how that flexibility might deviate from outcomes associated with the federal standards. Areas to be examined must include, but are not limited to, transportation requirements, service hour configurations, delivery methods, and impact on rural programs;

(b) Provide comparative data regarding child performance, readiness, and educational outcomes for Washington's existing head start and early childhood education and assistance programs;

(c) Determine the alignment between head start standards and the recommendations of Washington learns;

(d) Identify any change in the state early childhood education and assistance program laws that would be required to implement the Washington head start proposal;
(e) Identify additional resources needed to meet federal guidelines and standards. Areas to be examined must include, but are not limited to: Per-child funding levels, professional development and training needs, facilities needs, and technical assistance;

(f) Identify state early childhood education and assistance programs that do and do not offer full-day, full-year services to children, and what transition steps would be needed for these programs to operate in the same manner as federal head start programs;

(g) Provide steps for phasing-in the Washington head start proposal;

(h) Include a timeline, strategy, and funding needs to implement a statewide, state-supported early head start program as a component of the Washington head start proposal; and

(i) Detail the process the department would take with the regional office of federal head start in identifying any exceptions or waivers needed to provide flexibility and maintain high quality standards.

(2) In developing its recommendations for this proposal, the department shall seek, where appropriate and available, training or technical assistance from the appropriate regional office of federal head start in order to maximize nonstate resources that might be available for the consultative work and research involved with developing this proposal. The department also shall consult with and solicit input from:

(a) State early childhood education and assistance program providers on Indian reservations and across the state, including providers who operate solely state-supported programs;

(b) Tribal governments operating head start programs and early head start programs in the state to ensure that the needs of Indian and Alaskan native children and their families are incorporated into the recommendations of the proposal, especially as they pertain to standards or guidelines around language acquisition, school readiness, availability and need for services among Indian and Alaskan native children and their families, and curriculum development; and

(c) Providers operating migrant and seasonal head start programs in the state in order to address the needs of the children of migrant and seasonal farmworker families.

(3) The department shall make recommendations on how it would periodically review the standards and guidelines within the Washington
head start program, including incorporation of the latest research and
information on early childhood development as well as any new
innovations that may further improve outcomes to low-income children
and their families.

(4) The department's recommendations on a Washington head start
proposal shall include how the proposal aligns with the department's
current statutory duties. The recommendations shall also include any
other options that may improve the quality of state-supported early
learning programs.

(5) The department shall deliver its report to the governor and
legislature by December 1, 2009.

Sec. 936. RCW 43.325.040 and 2007 c 348 s 305 are each amended to
read as follows:

(1) The energy freedom account is created in the state treasury. All receipts from appropriations made to the account and any loan
payments of principal and interest derived from loans made under this
chapter must be deposited into the account. Moneys in the account may
be spent only after appropriation. Expenditures from the account may
be used only for assistance for projects consistent with this chapter
or otherwise authorized by the legislature.

(2) The green energy incentive account is created in the state
treasury as a subaccount of the energy freedom account. All receipts
from appropriations made to the green energy incentive account shall be
deposited into the account, and may be spent only after appropriation.
Expenditures from the account may be used only for:

(a) Refueling projects awarded under this chapter;

(b) Pilot projects for plug-in hybrids, including grants provided
for the electrification program set forth in RCW 43.325.110; and

(c) Demonstration projects developed with state universities as
defined in RCW 28B.10.016 and local governments that result in the
design and building of a hydrogen vehicle fueling station.

(3) Any state agency receiving funding from the energy freedom
account is prohibited from retaining greater than three percent of any
funding provided from the energy freedom account for administrative
overhead or other deductions not directly associated with conducting
the research, projects, or other end products that the funding is
designed to produce unless this provision is waived in writing by the
director.

(4) Any university, institute, or other entity that is not a state
agency receiving funding from the energy freedom account is prohibited
from retaining greater than fifteen percent of any funding provided
from the energy freedom account for administrative overhead or other
deductions not directly associated with conducting the research,
projects, or other end products that the funding is designed to
produce.

(5) Subsections (2) through (4) of this section do not apply to
assistance awarded for projects under RCW 43.325.020(3).

(6) During the 2009-2011 fiscal biennium, the legislature may
transfer from the energy freedom account to the state general fund such
amounts as reflect the excess fund balance of the account.

Sec. 937. RCW 43.330.250 and 2008 c 329 s 914 are each amended to
read as follows:

(1) The economic development strategic reserve account is created
in the state treasury to be used only for the purposes of this section.

(2) Only the governor, with the recommendation of the director of
the department of community, trade, and economic development and the
economic development commission, may authorize expenditures from the
account.

(3) Expenditures from the account shall be made in an amount
sufficient to fund a minimum of one staff position for the economic
development commission and to cover any other operational costs of the
commission.

(4) During the (2007-2009) 2009-2011 fiscal biennium, moneys in
the account may also be transferred into the state general fund.

(5) Expenditures from the account may be made to prevent closure of
a business or facility, to prevent relocation of a business or facility
in the state to a location outside the state, or to recruit a business
or facility to the state. Expenditures may be authorized for:

(a) Workforce development;

(b) Public infrastructure needed to support or sustain the
operations of the business or facility; and

(c) Other lawfully provided assistance, including, but not limited
to, technical assistance, environmental analysis, relocation
assistance, and planning assistance. Funding may be provided for such assistance only when it is in the public interest and may only be provided under a contractual arrangement ensuring that the state will receive appropriate consideration, such as an assurance of job creation or retention.

(6) The funds shall not be expended from the account unless:
(a) The circumstances are such that time does not permit the director of the department of community, trade, and economic development or the business or facility to secure funding from other state sources;
(b) The business or facility produces or will produce significant long-term economic benefits to the state, a region of the state, or a particular community in the state;
(c) The business or facility does not require continuing state support;
(d) The expenditure will result in new jobs, job retention, or higher incomes for citizens of the state;
(e) The expenditure will not supplant private investment; and
(f) The expenditure is accompanied by private investment.
(7) No more than three million dollars per year may be expended from the account for the purpose of assisting an individual business or facility pursuant to the authority specified in this section.
(8) If the account balance in the strategic reserve account exceeds fifteen million dollars at any time, the amount in excess of fifteen million dollars shall be transferred to the education construction account.

Sec. 938. RCW 46.09.170 and 2007 c 522 s 953 and 2007 c 241 s 16 are each reenacted and amended to read as follows:
(1) From time to time, but at least once each year, the state treasurer shall refund from the motor vehicle fund one percent of the motor vehicle fuel tax revenues collected under chapter 82.36 RCW, based on a tax rate of: (a) Nineteen cents per gallon of motor vehicle fuel from July 1, 2003, through June 30, 2005; (b) twenty cents per gallon of motor vehicle fuel from July 1, 2005, through June 30, 2007; (c) twenty-one cents per gallon of motor vehicle fuel from July 1, 2007, through June 30, 2009; (d) twenty-two cents per gallon of motor vehicle fuel from July 1, 2009, through June 30, 2011; and (e) twenty-
three cents per gallon of motor vehicle fuel beginning July 1, 2011, and thereafter, less proper deductions for refunds and costs of collection as provided in RCW 46.68.090.

(2) The treasurer shall place these funds in the general fund as follows:

(a) Thirty-six percent shall be credited to the ORV and nonhighway vehicle account and administered by the department of natural resources solely for acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities, and information programs and maintenance of nonhighway roads;

(b) Three and one-half percent shall be credited to the ORV and nonhighway vehicle account and administered by the department of fish and wildlife solely for the acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities and the maintenance of nonhighway roads;

(c) Two percent shall be credited to the ORV and nonhighway vehicle account and administered by the parks and recreation commission solely for the acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities; and

(d) Fifty-eight and one-half percent shall be credited to the nonhighway and off-road vehicle activities program account to be administered by the board for planning, acquisition, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities and for education, information, and law enforcement programs. The funds under this subsection shall be expended in accordance with the following limitations:

(i) Not more than thirty percent may be expended for education, information, and law enforcement programs under this chapter;

(ii) Not less than seventy percent may be expended for ORV, nonmotorized, and nonhighway road recreation facilities. Except as provided in (d)(iii) of this subsection, of this amount:

(A) Not less than thirty percent, together with the funds the board receives under RCW 46.09.110, may be expended for ORV recreation facilities;

(B) Not less than thirty percent may be expended for nonmotorized recreation facilities. Funds expended under this subsection
(2)(d)(ii)(B) shall be known as Ira Spring outdoor recreation facilities funds; and

(C) Not less than thirty percent may be expended for nonhighway road recreation facilities;

(iii) The board may waive the minimum percentage cited in (d)(ii) of this subsection due to insufficient requests for funds or projects that score low in the board's project evaluation. Funds remaining after such a waiver must be allocated in accordance with board policy.

(3) On a yearly basis an agency may not, except as provided in RCW 46.09.110, expend more than ten percent of the funds it receives under this chapter for general administration expenses incurred in carrying out this chapter.

(4) During the (2007-09) 2009-2011 fiscal biennium, the legislature may appropriate such amounts as reflect the excess fund balance in the NOVA account to the department of natural resources ((for planning and designing)) to install consistent off-road vehicle signage at department-managed recreation sites, and ((for planning)) to implement the recreation opportunities on department-managed lands in the Reiter block and Ahtanum state forest, and to the state parks and recreation commission for maintenance and operation of parks and to improve accessibility for boaters and off-road vehicle users. This appropriation is not required to follow the specific distribution specified in subsection (2) of this section.

Sec. 939. RCW 46.66.080 and 2007 c 199 s 27 are each amended to read as follows:

(1) The Washington auto theft prevention authority account is created in the state treasury, subject to appropriation. All revenues from the traffic infraction surcharge in RCW 46.63.110(7)(b) and all receipts from gifts, grants, bequests, devises, or other funds from public and private sources to support the activities of the auto theft prevention authority must be deposited into the account. Expenditures from the account may be used only for activities relating to motor vehicle theft, including education, prevention, law enforcement, investigation, prosecution, and confinement. During the 2009-2011 fiscal biennium, the legislature may appropriate moneys from the Washington auto theft prevention authority account for criminal justice purposes.
(2) The authority shall allocate moneys appropriated from the account to public agencies for the purpose of establishing, maintaining, and supporting programs that are designed to prevent motor vehicle theft, including:

(a) Financial support to prosecution agencies to increase the effectiveness of motor vehicle theft prosecution;

(b) Financial support to a unit of local government or a team consisting of units of local governments to increase the effectiveness of motor vehicle theft enforcement;

(c) Financial support for the procurement of equipment and technologies for use by law enforcement agencies for the purpose of enforcing motor vehicle theft laws; and

(d) Financial support for programs that are designed to educate and assist the public in the prevention of motor vehicle theft.

(3) The costs of administration shall not exceed ten percent of the moneys in the account in any one year so that the greatest possible portion of the moneys available to the authority is expended on combating motor vehicle theft.

(4) Prior to awarding any moneys from the Washington auto theft prevention authority account for motor vehicle theft enforcement, the auto theft prevention authority must verify that the financial award includes sufficient funding to cover proposed activities, which include, but are not limited to: (a) State, municipal, and county offender and juvenile confinement costs; (b) administration costs; (c) law enforcement costs; (d) prosecutor costs; and (e) court costs, with a priority being given to ensuring that sufficient funding is available to cover state, municipal, and county offender and juvenile confinement costs.

(5) Moneys expended from the Washington auto theft prevention authority account under subsection (2) of this section shall be used to supplement, not supplant, other moneys that are available for motor vehicle theft prevention.

(6) Grants provided under subsection (2) of this section constitute reimbursement for purposes of RCW 43.135.060(1).

Sec. 940. RCW 50.16.010 and 2009 c 4 s 906 are each amended to read as follows:

(1) There shall be maintained as special funds, separate and apart
from all public moneys or funds of this state an unemployment compensation fund, an administrative contingency fund, and a federal interest payment fund, which shall be administered by the commissioner exclusively for the purposes of this title, and to which RCW 43.01.050 shall not be applicable.

(2)(a) The unemployment compensation fund shall consist of:
   (i) All contributions collected under RCW 50.24.010 and payments in lieu of contributions collected pursuant to the provisions of this title;
   (ii) Any property or securities acquired through the use of moneys belonging to the fund;
   (iii) All earnings of such property or securities;
   (iv) Any moneys received from the federal unemployment account in the unemployment trust fund in accordance with Title XII of the social security act, as amended;
   (v) All money recovered on official bonds for losses sustained by the fund;
   (vi) All money credited to this state's account in the unemployment trust fund pursuant to section 903 of the social security act, as amended;
   (vii) All money received from the federal government as reimbursement pursuant to section 204 of the federal-state extended compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304); and
   (viii) All moneys received for the fund from any other source.
(b) All moneys in the unemployment compensation fund shall be commingled and undivided.

(3)(a) Except as provided in (b) of this subsection, the administrative contingency fund shall consist of:
   (i) All interest on delinquent contributions collected pursuant to this title;
   (ii) All fines and penalties collected pursuant to the provisions of this title;
   (iii) All sums recovered on official bonds for losses sustained by the fund; and
   (iv) Revenue received under RCW 50.24.014.
(b) All fees, fines, forfeitures, and penalties collected or assessed by a district court because of the violation of this title or
rules adopted under this title shall be remitted as provided in chapter 3.62 RCW.

(c) During the 2007-2009 biennium, moneys available in the administrative contingency fund, other than money in the special account created under RCW 50.24.014(1)(a), shall be expended as appropriated by the legislature for the (i) cost of the job skills or worker retraining programs at the community and technical colleges and administrative costs at the state board for community and technical colleges, and (ii) reemployment services such as business and project development assistance, local economic development capacity building, and local economic development financial assistance at the department of community, trade, and economic development, and the remaining appropriation upon the direction of the commissioner, with the approval of the governor, whenever it appears to him or her that such expenditure is necessary solely for:

(i) The proper administration of this title and that insufficient federal funds are available for the specific purpose to which such expenditure is to be made, provided, the moneys are not substituted for appropriations from federal funds which, in the absence of such moneys, would be made available.

(ii) The proper administration of this title for which purpose appropriations from federal funds have been requested but not yet received, provided, the administrative contingency fund will be reimbursed upon receipt of the requested federal appropriation.

(iii) The proper administration of this title for which compliance and audit issues have been identified that establish federal claims requiring the expenditure of state resources in resolution. Claims must be resolved in the following priority: First priority is to provide services to eligible participants within the state; second priority is to provide substitute services or program support; and last priority is the direct payment of funds to the federal government.

(d) During the 2009-11 biennium, moneys available in the administrative contingency fund, other than money in the special account created under RCW 50.24.014(1)(a), shall be expended by the department of social and human services as appropriated by the legislature for employment and training services and programs in the WorkFirst program, for the administrative costs of state agencies participating in the WorkFirst program, and the remaining appropriation
upon the direction of the commissioner, with the approval of the
governor, whenever it appears to him or her that such expenditure is
necessary solely for:

(i) The proper administration of this title and that insufficient
federal funds are available for the specific purpose to which such
expenditure is to be made, provided, the moneys are not substituted for
appropriations from federal funds which, in the absence of such moneys,
would be made available.

(ii) The proper administration of this title for which purpose
appropriations from federal funds have been requested but not yet
received, provided, the administrative contingency fund will be
reimbursed upon receipt of the requested federal appropriation.

(iii) The proper administration of this title for which compliance
and audit issues have been identified that establish federal claims
requiring the expenditure of state resources in resolution. Claims
must be resolved in the following priority: First priority is to
provide services to eligible participants within the state; second
priority is to provide substitute services or program support; and last
priority is the direct payment of funds to the federal government.

(4) Money in the special account created under RCW 50.24.014(1)(a)
may only be expended, after appropriation, for the purposes specified
in this section and RCW 50.62.010, 50.62.020, 50.62.030, 50.24.014,
50.44.053, and 50.22.010.

Sec. 941. RCW 66.08.170 and 2002 c 371 s 917 are each amended to
read as follows:

There shall be a fund, known as the "liquor revolving fund", which
shall consist of all license fees, permit fees, penalties, forfeitures,
and all other moneys, income, or revenue received by the board. The
state treasurer shall be custodian of the fund. All moneys received by
the board or any employee thereof, except for change funds and an
amount of petty cash as fixed by the board within the authority of law
shall be deposited each day in a depository approved by the state
treasurer and transferred to the state treasurer to be credited to the
liquor revolving fund. During the (2001-2003) 2009-2011 fiscal
biennium, the legislature may transfer funds from the liquor revolving
account to the state general fund (such amounts as reflect the excess
fund balance of the fund and reductions made by the 2002 supplemental
appropriations act for administrative efficiencies and savings)) and
may direct an additional amount of liquor profits to be distributed to
local governments. Neither the transfer of funds nor the additional
distribution of liquor profits to local governments during the 2009-
2011 fiscal biennium may reduce the excess fund distributions that
otherwise would occur under RCW 66.08.190. Disbursements from the
revolving fund shall be on authorization of the board or a duly
authorized representative thereof. In order to maintain an effective
expenditure and revenue control the liquor revolving fund shall be
subject in all respects to chapter 43.88 RCW but no appropriation shall
be required to permit expenditures and payment of obligations from such
fund.

Sec. 942. RCW 67.40.040 and 2008 c 329 s 917 and 2008 c 328 s 6011
are each reenacted and amended to read as follows:

(1) The proceeds from the sale of the bonds authorized in RCW
67.40.030, proceeds of the taxes imposed under RCW 67.40.090 and
67.40.130, and all other moneys received by the state convention and
trade center from any public or private source which are intended to
fund the acquisition, design, construction, expansion, exterior cleanup
and repair of the Eagles building, conversion of various retail and
other space to meeting rooms, purchase of the land and building known
as the McKay Parcel, development of low-income housing, or renovation
of the center, and those expenditures authorized under RCW 67.40.170
shall be deposited in the state convention and trade center account
hereby created in the state treasury and in such subaccounts as are
deemed appropriate by the directors of the corporation.

(2) Moneys in the account, including unanticipated revenues under
RCW 43.79.270, shall be used exclusively for the following purposes in
the following priority:

(a) For reimbursement of the state general fund under RCW
67.40.060;
(b) After appropriation by statute:

(i) For payment of expenses incurred in the issuance and sale of
the bonds issued under RCW 67.40.030;
(ii) For expenditures authorized in RCW 67.40.170, and during the
((2007-2009)) 2009-2011 fiscal biennium, the legislature may transfer
from the state convention and trade center account ((to the Washington
housing trust account such amounts as reflect the excess fund balance in the account; and during the 2007-2009 biennium, the legislature may transfer from the state convention and trade center account) to the general fund such amounts as reflect the excess fund balance in the account;

(iii) For acquisition, design, and construction of the state convention and trade center;

(iv) For debt service for the acquisition, design, and construction and retrofit of the museum of history and industry museum property or other future expansions of the convention center as approved by the legislature; and

(v) For reimbursement of any expenditures from the state general fund in support of the state convention and trade center; and

(c) For transfer to the state convention and trade center operations account.

(3) The corporation shall identify with specificity those facilities of the state convention and trade center that are to be financed with proceeds of general obligation bonds, the interest on which is intended to be excluded from gross income for federal income tax purposes. The corporation shall not permit the extent or manner of private business use of those bond-financed facilities to be inconsistent with treatment of such bonds as governmental bonds under applicable provisions of the Internal Revenue Code of 1986, as amended.

(4) In order to ensure consistent treatment of bonds authorized under RCW 67.40.030 with applicable provisions of the Internal Revenue Code of 1986, as amended, and notwithstanding RCW 43.84.092, investment earnings on bond proceeds deposited in the state convention and trade center account in the state treasury shall be retained in the account, and shall be expended by the corporation for the purposes authorized under chapter 386, Laws of 1995 and in a manner consistent with applicable provisions of the Internal Revenue Code of 1986, as amended.

(5) Subject to the conditions in subsection (6) of this section, starting in fiscal year 2008, and except for the 2009-2011 fiscal biennium in which no transfers shall be made, the state treasurer shall transfer:

(a) The sum of four million dollars, or as much as may be available pursuant to conditions set forth in this section, from the state
convention and trade center account to the tourism enterprise account, with the maximum transfer being four million dollars per fiscal year; and

(b) The sum of five hundred thousand dollars, or as much as may be available pursuant to conditions set forth in this section, from the state convention and trade center account to the tourism development and promotion account, with the maximum transfer being five hundred thousand dollars per fiscal year.

(6)(a) Funds required for debt service payments and reserves for bonds issued under RCW 67.40.030; for debt service authorized under RCW 67.40.170; and for the issuance and sale of financial instruments associated with the acquisition, design, construction, and retrofit of the museum of history and industry museum property or for other future expansions of the center, as approved by the legislature, shall be maintained within the state convention and trade center account.

(b) Except for during the 2009-2011 fiscal biennium, during which no reserve shall be retained, no less than six million one hundred fifty thousand dollars per year shall be retained in the state convention and trade center account for funding capital maintenance as required by the center's long-term capital plan, facility enhancements, unanticipated replacements, and operating reserves for the convention center operation. This amount shall be escalated annually as follows:

(i) Four percent for annual inflation for capital maintenance, repairs, and replacement;

(ii) An additional two percent for enhancement to the facility; and

(iii) An additional three percent for growth in expenditure due to aging of the facility and the need to maintain an operating reserve.

(c) Sufficient funds shall be reserved within the state convention and trade center account to fund operating appropriations for the annual operation of the convention center.

Sec. 943. RCW 67.70.190 and 2005 c 427 s 2 are each amended to read as follows:

Unclaimed prizes shall be retained in the state lottery account for the person entitled thereto for one hundred eighty days after the drawing in which the prize is won, or after the official end of the game for instant prizes. If no claim is made for the prize within this time, all rights to the prize shall be extinguished, and the prize
shall be retained in the state lottery fund for further use as prizes, except that one-third of all unclaimed prize money shall be deposited in the economic development strategic reserve account created in RCW 43.330.250.

During the 2009-2011 fiscal biennium, all unclaimed prize money revenue retained in the state lottery fund in excess of three million dollars each fiscal year, after distribution to the economic development strategic reserve account, shall be deposited into the state general fund. In addition, on July 1, 2009, June 30, 2010, and June 30, 2011, all unclaimed prize money retained in the state lottery fund in excess of three million dollars shall be deposited into the state general fund.

Sec. 944. RCW 70.93.180 and 2005 c 518 s 939 are each amended to read as follows:

(1) There is hereby created an account within the state treasury to be known as the "waste reduction, recycling, and litter control account". Moneys in the account may be spent only after appropriation. Expenditures from the waste reduction, recycling, and litter control account shall be used as follows:

(a) Fifty percent to the department of ecology, for use by the departments of ecology, natural resources, revenue, transportation, and corrections, and the parks and recreation commission, for use in litter collection programs, to be distributed under RCW 70.93.220. The amount to the department of ecology shall also be used for a central coordination function for litter control efforts statewide, for the biennial litter survey under RCW 70.93.200(8), and for statewide public awareness programs under RCW 70.93.200(7). The amount to the department shall also be used to defray the costs of administering the funding, coordination, and oversight of local government programs for waste reduction, litter control, and recycling, so that local governments can apply one hundred percent of their funding to achieving program goals. The amount to the department of revenue shall be used to enforce compliance with the litter tax imposed in chapter 82.19 RCW;

(b) Twenty percent to the department for local government funding programs for waste reduction, litter control, and recycling activities by cities and counties under RCW 70.93.250, to be administered by the department of ecology; and
(c) Thirty percent to the department of ecology for waste reduction and recycling efforts.

(2) All taxes imposed in RCW 82.19.010 and fines and bail forfeitures collected or received pursuant to this chapter shall be deposited in the waste reduction, recycling, and litter control account and used for the programs under subsection (1) of this section.

(3) Not less than five percent and no more than ten percent of the amount appropriated into the waste reduction, recycling, and litter control account every biennium shall be reserved for capital needs, including the purchase of vehicles for transporting crews and for collecting litter and solid waste. Capital funds shall be distributed among state agencies and local governments according to the same criteria provided in RCW 70.93.220 for the remainder of the funds, so that the most effective waste reduction, litter control, and recycling programs receive the most funding. The intent of this subsection is to provide funds for the purchase of equipment that will enable the department to account for the greatest return on investment in terms of reaching a zero litter goal.

(4) During the ((2005-2007)) 2009-2011 fiscal biennium, the legislature may transfer from the waste reduction, recycling, and litter control account to the state general fund such amounts as reflect the excess fund balance of the account. For purposes of subsection (1) of this section, this transfer shall be treated as an expenditure for litter collection.

Sec. 945. RCW 70.105D.070 and 2008 c 329 s 921, 2008 c 329 s 920, 2008 c 329 s 919, and 2008 c 328 s 6009 are each reenacted and amended to read as follows:

(1) The state toxics control account and the local toxics control account are hereby created in the state treasury.

(2) The following moneys shall be deposited into the state toxics control account: (a) Those revenues which are raised by the tax imposed under RCW 82.21.030 and which are attributable to that portion of the rate equal to thirty-three one-hundredths of one percent; (b) the costs of remedial actions recovered under this chapter or chapter 70.105A RCW; (c) penalties collected or recovered under this chapter; and (d) any other money appropriated or transferred to the account by
the legislature. Moneys in the account may be used only to carry out the purposes of this chapter, including but not limited to the following activities:

(i) The state's responsibility for hazardous waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.105 RCW;

(ii) The state's responsibility for solid waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.95 RCW;

(iii) The hazardous waste cleanup program required under this chapter;

(iv) State matching funds required under the federal cleanup law;

(v) Financial assistance for local programs in accordance with chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

(vi) State government programs for the safe reduction, recycling, or disposal of hazardous wastes from households, small businesses, and agriculture;

(vii) Hazardous materials emergency response training;

(viii) Water and environmental health protection and monitoring programs;

(ix) Programs authorized under chapter 70.146 RCW;

(x) A public participation program, including regional citizen advisory committees;

(xi) Public funding to assist potentially liable persons to pay for the costs of remedial action in compliance with cleanup standards under RCW 70.105D.030(2)(e) but only when the amount and terms of such funding are established under a settlement agreement under RCW 70.105D.040(4) and when the director has found that the funding will achieve both (A) a substantially more expeditious or enhanced cleanup than would otherwise occur, and (B) the prevention or mitigation of unfair economic hardship; ((and))

(xii) Development and demonstration of alternative management technologies designed to carry out the hazardous waste management priorities of RCW 70.105.150; and

(xiii) During the 2009-2011 fiscal biennium, shoreline update technical assistance.

(3) The following moneys shall be deposited into the local toxics
control account: Those revenues which are raised by the tax imposed under RCW 82.21.030 and which are attributable to that portion of the rate equal to thirty-seven one-hundredths of one percent.

(a) Moneys deposited in the local toxics control account shall be used by the department for grants or loans to local governments for the following purposes in descending order of priority:

(i) Remedial actions;
(ii) Hazardous waste plans and programs under chapter 70.105 RCW;
(iii) Solid waste plans and programs under chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;
(iv) Funds for a program to assist in the assessment and cleanup of sites of methamphetamine production, but not to be used for the initial containment of such sites, consistent with the responsibilities and intent of RCW 69.50.511; and
(v) Cleanup and disposal of hazardous substances from abandoned or derelict vessels, defined for the purposes of this section as vessels that have little or no value and either have no identified owner or have an identified owner lacking financial resources to clean up and dispose of the vessel, that pose a threat to human health or the environment.

(b) Funds for plans and programs shall be allocated consistent with the priorities and matching requirements established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW, except that any applicant that is a Puget Sound partner, as defined in RCW 90.71.010, along with any project that is referenced in the action agenda developed by the Puget Sound partnership under RCW 90.71.310, shall, except as conditioned by RCW 70.105D.120, receive priority for any available funding for any grant or funding programs or sources that use a competitive bidding process. During the 2007-2009 fiscal biennium, moneys in the account may also be used for grants to local governments to retrofit public sector diesel equipment and for storm water planning and implementation activities.

(c) [(Funds may also be appropriated to the department of health to implement programs to reduce testing requirements under the federal safe drinking water act for public water systems. The department of health shall reimburse the account from fees assessed under RCW 70.119A.115 by June 30, 1995.]

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To expedite cleanups throughout the state, the department shall partner with local communities and liable parties for cleanups. The department is authorized to use the following additional strategies in order to ensure a healthful environment for future generations:

(i) The director may alter grant-matching requirements to create incentives for local governments to expedite cleanups when one of the following conditions exists:

(A) Funding would prevent or mitigate unfair economic hardship imposed by the clean-up liability;

(B) Funding would create new substantial economic development, public recreational, or habitat restoration opportunities that would not otherwise occur; or

(C) Funding would create an opportunity for acquisition and redevelopment of vacant, orphaned, or abandoned property under RCW 70.105D.040(5) that would not otherwise occur;

(ii) The use of outside contracts to conduct necessary studies;

(iii) The purchase of remedial action cost-cap insurance, when necessary to expedite multiparty clean-up efforts.

(4) Except for unanticipated receipts under RCW 43.79.260 through 43.79.282, moneys in the state and local toxics control accounts may be spent only after appropriation by statute.

(5) Except during the 2009-2011 fiscal biennium, one percent of the moneys deposited into the state and local toxics control accounts shall be allocated only for public participation grants to persons who may be adversely affected by a release or threatened release of a hazardous substance and to not-for-profit public interest organizations. The primary purpose of these grants is to facilitate the participation by persons and organizations in the investigation and remedying of releases or threatened releases of hazardous substances and to implement the state's solid and hazardous waste management priorities. 

(However, during the 1999-2001 fiscal biennium, funding may not be granted to entities engaged in lobbying activities, and applicants may not be awarded grants if their cumulative grant awards under this section exceed two hundred thousand dollars.) No grant may exceed sixty thousand dollars. Grants may be renewed annually. Moneys appropriated for public participation from either account which are not expended at the close of any biennium shall revert to the state toxics control account.
(6) No moneys deposited into either the state or local toxics control account may be used for solid waste incinerator feasibility studies, construction, maintenance, or operation, or, after January 1, 2010, for projects designed to address the restoration of Puget Sound, funded in a competitive grant process, that are in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310.

(7) The department shall adopt rules for grant or loan issuance and performance.

(8) During the 2009-2011 fiscal biennium, the legislature may transfer from the local toxics control account to either the state general fund or the oil spill prevention account, or both such amounts as reflect excess fund balance in the account.

(9) During the 2009-2011 fiscal biennium, the local toxics control account may also be used for a standby rescue tug at Neah Bay, local government shoreline update grants, private and public sector diesel equipment retrofit, and oil spill prevention, preparedness, and response activities.

(10) During the 2009-2011 fiscal biennium, the legislature may transfer from the state toxics control account to the state general fund such amounts as reflect the excess fund balance in the account.

Sec. 946. RCW 71.24.310 and 2006 c 333 s 107 are each amended to read as follows:

The legislature finds that administration of chapter 71.05 RCW and this chapter can be most efficiently and effectively implemented as part of the regional support network defined in RCW 71.24.025. For this reason, the legislature intends that the department and the regional support networks shall work together to implement chapter 71.05 RCW as follows:

(1) By June 1, 2006, regional support networks shall recommend to the department the number of state hospital beds that should be allocated for use by each regional support network. The statewide total allocation shall not exceed the number of state hospital beds offering long-term inpatient care, as defined in this chapter, for which funding is provided in the biennial appropriations act.
(2) If there is consensus among the regional support networks regarding the number of state hospital beds that should be allocated for use by each regional support network, the department shall contract with each regional support network accordingly.

(3) If there is not consensus among the regional support networks regarding the number of beds that should be allocated for use by each regional support network, the department shall establish by emergency rule the number of state hospital beds that are available for use by each regional support network. The emergency rule shall be effective September 1, 2006. The primary factor used in the allocation shall be the estimated number of ((acutely and chronically mentally ill)) adults with acute and chronic mental illness in each regional support network area, based upon population-adjusted incidence and utilization.

(4) The allocation formula shall be updated at least every three years to reflect demographic changes, and new evidence regarding the incidence of acute and chronic mental illness and the need for long-term inpatient care. In the updates, the statewide total allocation shall include (a) all state hospital beds offering long-term inpatient care for which funding is provided in the biennial appropriations act; plus (b) the estimated equivalent number of beds or comparable diversion services contracted in accordance with subsection (5) of this section.

(5) The department is encouraged to enter performance-based contracts with regional support networks to provide some or all of the regional support network's allocated long-term inpatient treatment capacity in the community, rather than in the state hospital. The performance contracts shall specify the number of patient days of care available for use by the regional support network in the state hospital.

(6) If a regional support network uses more state hospital patient days of care than it has been allocated under subsection (3) or (4) of this section, or than it has contracted to use under subsection (5) of this section, whichever is less, it shall reimburse the department for that care. The reimbursement rate per day shall be the hospital's total annual budget for long-term inpatient care, divided by the total patient days of care assumed in development of that budget.

(7) One-half of any reimbursements received pursuant to subsection (6) of this section shall be used to support the cost of operating the
state hospital and, during calendar year 2009, implementing new services that will enable a regional support network to reduce its utilization of the state hospital. The department shall distribute the remaining half of such reimbursements among regional support networks that have used less than their allocated or contracted patient days of care at that hospital, proportional to the number of patient days of care not used.

Sec. 947. RCW 74.08A.340 and 2008 c 329 s 922 are each amended to read as follows:

The department of social and health services shall operate the Washington WorkFirst program authorized under RCW 74.08A.200 through 74.08A.330, 43.330.145, 43.215.545, and 74.25.040, and chapter 74.12 RCW within the following constraints:

(1) The full amount of the temporary assistance for needy families block grant, plus qualifying state expenditures as appropriated in the biennial operating budget, shall be appropriated to the department each year in the biennial appropriations act to carry out the provisions of the program authorized in RCW 74.08A.200 through 74.08A.330, 43.330.145, 43.215.545, and 74.25.040, and chapter 74.12 RCW.

(2)(a) The department may expend funds defined in subsection (1) of this section in any manner that will effectively accomplish the outcome measures defined in RCW 74.08A.410 with the following exception: Beginning with the 2007-2009 biennium, funds that constitute the working connections child care program, child care quality programs, and child care licensing functions.

(b) Beginning in the 2007-2009 fiscal biennium, the legislature shall appropriate and the departments of early learning and social and health services shall expend funds defined in subsection (1) of this section that constitute the working connections child care program, child care quality programs, and child care licensing functions in a manner that is consistent with the outcome measures defined in RCW 74.08A.410.

(c) No more than fifteen percent of the amount provided in subsection (1) of this section may be spent for administrative purposes. For the purpose of this subsection, "administrative purposes" does not include expenditures for information technology and computerization needed for tracking and monitoring required by P.L.
104-193. The department shall not increase grant levels to recipients of the program authorized in RCW 74.08A.200 through 74.08A.330 and 43.330.145 and chapter 74.12 RCW, except as authorized in the omnibus appropriations act for the ((2007-2009)) 2009-2011 biennium.

(3) The department shall implement strategies that accomplish the outcome measures identified in RCW 74.08A.410 that are within the funding constraints in this section. Specifically, the department shall implement strategies that will cause the number of cases in the program authorized in RCW 74.08A.200 through 74.08A.330 and 43.330.145 and chapter 74.12 RCW to decrease by at least fifteen percent during the 1997-99 biennium and by at least five percent in the subsequent biennium. The department may transfer appropriation authority between funding categories within the economic services program in order to carry out the requirements of this subsection.

(4) The department shall monitor expenditures against the appropriation levels provided for in subsection (1) of this section. The department shall quarterly make a determination as to whether expenditure levels will exceed available funding and communicate its finding to the legislature. If the determination indicates that expenditures will exceed funding at the end of the fiscal year, the department shall take all necessary actions to ensure that all services provided under this chapter shall be made available only to the extent of the availability and level of appropriation made by the legislature.

Sec. 948. RCW 77.32.010 and 2008 c 329 s 923 are each amended to read as follows:

(1) Except as otherwise provided in this chapter, a recreational license issued by the director is required to hunt for or take wild animals or wild birds, fish for, take, or harvest fish, shellfish, and seaweed. A recreational fishing or shellfish license is not required for carp, smelt, and crawfish, and a hunting license is not required for bullfrogs.

(2) A permit issued by the department is required to park a motor vehicle upon improved department access facilities.

(3) During the ((2007-09)) 2009-2011 fiscal biennium to enable the implementation of the pilot project established in section 307, chapter 329, Laws of 2008, a fishing permit issued to a nontribal member by the Colville Tribes shall satisfy the license requirements in subsection
(1) of this section on the waters of Lake Rufus Woods and on the north shore of Lake Rufus Woods, and a Colville Tribes tribal member identification card shall satisfy the license requirements in subsection (1) of this section on all waters of Lake Rufus Woods.

Sec. 949. RCW 79.64.040 and 2007 c 522 s 958 are each amended to read as follows:

(1) The board shall determine the amount deemed necessary in order to achieve the purposes of this chapter and shall provide by rule for the deduction of this amount from the moneys received from all leases, sales, contracts, licenses, permits, easements, and rights-of-way issued by the department and affecting state lands and aquatic lands, provided that no deduction shall be made from the proceeds from agricultural college lands.

(2) Moneys received as deposits from successful bidders, advance payments, and security under RCW 79.15.100, 79.15.080, and 79.11.150 prior to December 1, 1981, which have not been subjected to deduction under this section are not subject to deduction under this section.

(3) Except as otherwise provided in subsection (5) of this section, the deductions authorized under this section shall not exceed twenty-five percent of the moneys received by the department in connection with any one transaction pertaining to state lands and aquatic lands other than second-class tide and shore lands and the beds of navigable waters, and fifty percent of the moneys received by the department pertaining to second-class tide and shore lands and the beds of navigable waters.

(4) In the event that the department sells logs using the contract harvesting process described in RCW 79.15.500 through 79.15.530, the moneys received subject to this section are the net proceeds from the contract harvesting sale.

(5) During the (2007-2009) 2009-2011 fiscal biennium, the twenty-five percent limitation on deductions set in subsection (3) of this section may be increased up to thirty percent by the board (provided the total amount deducted does not exceed the total appropriations in the operating and capital budgets for the fiscal period. At the end of the fiscal period, any amounts deducted in excess of the appropriations shall be transferred to the appropriate beneficiary distribution accounts).

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Sec. 950. RCW 79A.25.080 and 2007 c 241 s 44 are each amended to read as follows:

(1) Moneys transferred to the recreation resource account from the marine fuel tax refund account may be used when appropriated by the legislature, as well as any federal or other funds now or hereafter available, to pay the office and necessary administrative and coordinative costs of the recreation and conservation funding board established by RCW 79A.25.110. All moneys so transferred, except those appropriated as aforesaid, shall be divided into two equal shares and shall be used to benefit watercraft recreation in this state as follows:

((1)) (a) One share as grants to state agencies for ((a)) (i) acquisition of title to, or any interests or rights in, marine recreation land, ((b)) (ii) capital improvement and renovation of marine recreation land, including periodic dredging in accordance with subsection ((3)) (2) of this section, if needed, to maintain or make the facility more useful, or ((c)) (iii) matching funds in any case where federal or other funds are made available on a matching basis for purposes described in (a)(i) or ((b)) (ii) of this subsection;

((2)) (b) One share as grants to public bodies to help finance ((a)) (i) acquisition of title to, or any interests or rights in, marine recreation land, or ((b)) (ii) capital improvement and renovation of marine recreation land, including periodic dredging in accordance with subsection ((3)) (2) of this section, if needed, to maintain or make the facility more useful. A public body is authorized to use a grant, together with its own contribution, as matching funds in any case where federal or other funds are made available for purposes described in (a)(i) or ((b)) (ii) of this subsection. The board may prescribe further terms and conditions for the making of grants in order to carry out the purposes of this chapter.

((3)) (2) For the purposes of this section "periodic dredging" is limited to dredging of materials that have been deposited in a channel due to unforeseen events. This dredging should extend the expected usefulness of the facility for at least five years.

(3) During the 2009-2011 fiscal biennium, the legislature may appropriate such amounts as reflect the excess fund balance in the recreation resource account to the state parks and recreation commission for maintenance and operation of parks and to improve
accessibility for boaters and off-road vehicle users. This appropriation is not required to follow the specific distribution specified in subsection (1)(a) and (b) of this section.

Sec. 951. RCW 79.105.150 and 2008 c 299 s 28 are each amended to read as follows:

(1) After deduction for management costs as provided in RCW 79.64.040 and payments to towns under RCW 79.115.150(2), all moneys received by the state from the sale or lease of state-owned aquatic lands and from the sale of valuable material from state-owned aquatic lands shall be deposited in the aquatic lands enhancement account which is hereby created in the state treasury. After appropriation, these funds shall be used solely for aquatic lands enhancement projects; for the purchase, improvement, or protection of aquatic lands for public purposes; for providing and improving access to the lands; and for volunteer cooperative fish and game projects. During the 2009-11 fiscal biennium, the legislature may transfer from the aquatic lands enhancement account to the state general fund such amounts as reflect excess fund balance of the account.

(2) In providing grants for aquatic lands enhancement projects, the recreation and conservation funding board shall:

(a) Require grant recipients to incorporate the environmental benefits of the project into their grant applications;

(b) Utilize the statement of environmental benefits, consideration, except as provided in RCW 79.105.610, of whether the applicant is a Puget Sound partner, as defined in RCW 90.71.010, whether a project is referenced in the action agenda developed by the Puget Sound partnership under RCW 90.71.310, and except as otherwise provided in RCW 79.105.630, and effective one calendar year following the development and statewide availability of model evergreen community management plans and ordinances under RCW 35.105.050, whether the applicant is an entity that has been recognized, and what gradation of recognition was received, in the evergreen community recognition program created in RCW 35.105.030 in its prioritization and selection process; and

(c) Develop appropriate outcome-focused performance measures to be used both for management and performance assessment of the grants.
(3) To the extent possible, the department should coordinate its performance measure system with other natural resource-related agencies as defined in RCW 43.41.270.

(4) The department shall consult with affected interest groups in implementing this section.

(5) After January 1, 2010, any project designed to address the restoration of Puget Sound may be funded under this chapter only if the project is not in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310.

Sec. 952. RCW 80.01.080 and 2006 c 3 s 2 are each amended to read as follows:

There is created in the state treasury a public service revolving fund. Regulatory fees payable by all types of public service companies shall be deposited to the credit of the public service revolving fund. Except for expenses payable out of the pipeline safety account, all expense of operation of the Washington utilities and transportation commission shall be payable out of the public service revolving fund.

During the ((2003-2005)) 2009-2011 fiscal biennium, the legislature may transfer from the public service revolving fund to the state general fund such amounts as reflect the excess fund balance of the fund.

((Due to the extraordinarily high winter energy costs, during the 2005-2007 fiscal biennium, no more than seven million six hundred thousand dollars, as appropriated in section 1, chapter 3, Laws of 2006, shall be payable out of the public service revolving fund to provide energy assistance to customers in accordance with the low-income energy assistance program.))

Sec. 953. RCW 86.26.007 and 2005 c 518 s 947 are each amended to read as follows:

The flood control assistance account is hereby established in the state treasury. At the beginning of the 2005-2007 fiscal biennium, the state treasurer shall transfer three million dollars from the general fund to the flood control assistance account. Each biennium thereafter the state treasurer shall transfer four million dollars from the general fund to the flood control assistance account, except that during the 2009-2011 fiscal biennium, the state treasurer shall
transfer two million dollars from the general fund to the flood control assistance account. Moneys in the flood control assistance account may be spent only after appropriation for purposes specified under this chapter.

NEW SECTION. Sec. 954. Section 936 of this act expires June 30, 2016.

NEW SECTION. Sec. 955. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 956. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

(End of bill)
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