Proposed Substitute House Bill 2921

By Representative Linville,

Chair, House Ways & Means Committee

January 18, 2010

AN ACT Relating to fiscal matters; amending 2009 c 564 ss 120, 125, 126, 127, 128, 129, 130, 137, 139, 143, 151, 153, 154, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 215, 219, 222, 223, 225, 302, 303, 306, 307, 309, 311, 401, 402, and 513 (uncodified); and declaring an emergency.

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

PART I
GENERAL GOVERNMENT

Sec. 101. 2009 c 564 s 120 (uncodified) is amended to read as follows:

FOR THE SECRETARY OF STATE

General Fund--State Appropriation (FY 2010) . . . . . ((~~$21,370,000~~))
$20,649,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$18,444,000~~))
$17,733,000

General Fund--Federal Appropriation $8,121,000

Archives and Records Management Account--State
Appropriation $8,863,000

Department of Personnel Service Account--State
Appropriation $760,000
Local Government Archives Account--State Appropriation . . $11,777,000
Election Account--Federal Appropriation $29,715,000
TOTAL APPROPRIATION . . . . . ((~~$99,050,000~~))
<u>$97,618,000</u>

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

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

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

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

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

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

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

(ii) Making contributions reportable under chapter 42.17 RCW; or

(iii) Providing any: (A) Gift; (B) honoraria; or (C) travel, lodging, meals, or entertainment to a public officer or employee.

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

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

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

Sec. 102. 2009 c 564 s 125 (uncodified) is amended to read as follows:

FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS

General Fund--State Appropriation (FY 2010) . . . . . ((~~$171,000~~))
$168,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$212,000~~))
$209,000

TOTAL APPROPRIATION . . . . . ((~~$383,000~~))
$377,000

Sec. 103. 2009 c 564 s 126 (uncodified) is amended to read as follows:

FOR THE ATTORNEY GENERAL

General Fund--State Appropriation (FY 2010) . . . . . ((~~$5,325,000~~))
$5,195,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$5,654,000~~))
$5,530,000

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

New Motor Vehicle Arbitration Account--State

Appropriation $1,346,000

Legal Services Revolving Account--State

Appropriation $221,515,000

Tobacco Prevention and Control Account--State

Appropriation $270,000

TOTAL APPROPRIATION . . . . . ((~~$238,136,000~~))

<u>$237,882,000</u>

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

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

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

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

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

Sec. 104. 2009 c 564 s 127 (uncodified) is amended to read as follows:

FOR THE CASELOAD FORECAST COUNCIL

General Fund--State Appropriation (FY 2010) . . . . . .((~~$779,000~~))
$766,000

General Fund--State Appropriation (FY 2011) . . . . . .((~~$772,000~~))
$759,000

TOTAL APPROPRIATION . . . . . ((~~$1,551,000~~))
$1,525,000

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

Sec. 105. 2009 c 564 s 128 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ((~~COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT~~)) COMMERCE

General Fund--State Appropriation (FY 2010) . . . . . ((~~$51,240,000~~))
$50,977,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$51,938,000~~))
$51,774,000

General Fund--Federal Appropriation $384,540,000

General Fund--Private/Local Appropriation $16,266,000

Public Works Assistance Account--State Appropriation $2,990,000

Tourism Development and Promotion Account--State
Appropriation $1,003,000

Drinking Water Assistance Administrative
Account--State Appropriation $439,000

Lead Paint Account--State Appropriation $18,000

Building Code Council Account--State Appropriation $1,286,000

Home Security Fund Account--State Appropriation $23,498,000

Affordable Housing for All Account--State Appropriation . . $11,900,000

Washington Auto Theft Prevention Authority
Account--State Appropriation $300,000

Independent Youth Housing Account--State Appropriation $80,000

Community Preservation and Development Authority
Account--State Appropriation $350,000
Financial Fraud and Identity Theft Crimes Investigation
and Prosecution Account--State Appropriation $1,166,000
Low-Income Weatherization Assistance Account--State
Appropriation $8,382,000
Manufacturing Innovation and Modernization
Account--State Appropriation $246,000
Community and Economic Development Fee
Account--State Appropriation $1,833,000
Washington Housing Trust Account--State Appropriation . . . $15,372,000
Public Facility Construction Loan Revolving
Account--State Appropriation $755,000
TOTAL APPROPRIATION . . . . . ((~~$573,602,000~~))
<u>$573,175,000</u>

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

(1) $2,520,000 of the general fund--state appropriation for fiscal year 2010 and $2,521,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a contract with the Washington technology center for work essential to the mission of the Washington technology center and conducted in partnership with universities.

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

(3) $100,000 of the general fund--state appropriation for fiscal year 2010 and $100,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement section 2(7) of Engrossed Substitute House Bill No. 1959 (land use and transportation planning for marine container ports).

(4) $102,000 of the building code council account--state appropriation is provided solely for the implementation of sections 3 and 7 of Engrossed Second Substitute Senate Bill No. 5854 (built

environment pollution). If sections 3 and 7 of the bill are not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

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

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

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

(d) $38,500,000 of the general fund--federal appropriation is provided for deposit in the energy recovery act account to establish a revolving loan program, consistent with the provisions of Engrossed Substitute House Bill No. 2289 (expanding energy freedom program).

(e) $10,646,000 of the general fund--federal appropriation is provided pursuant to the energy efficiency and conservation block grant under the American reinvestment and recovery act. The department may

use up to $3,000,000 of the amount provided in this subsection to provide technical assistance for energy programs administered by the agency under the American reinvestment and recovery act.

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

((~~(8)~~)) (7) $22,400,000 of the general fund--federal appropriation is provided solely for the justice assistance grant program and is contingent upon the department transferring: $1,200,000 to the department of corrections for security threat mitigation, $2,336,000 to the department of corrections for offender reentry, $1,960,000 to the Washington state patrol for law enforcement activities, $2,087,000 to the department of social and health services, division of alcohol and substance abuse for drug courts, and $428,000 to the department of social and health services for sex abuse recognition training. The remaining funds shall be distributed by the department to local jurisdictions.

((~~(9)~~)) (8) $20,000 of the general fund--state appropriation for fiscal year 2010 and $20,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant to KCTS public television to support Spanish language programming and the V-me Spanish language channel.

((~~(10)~~)) (9) $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.

((~~(12)~~)) (10) $30,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 6015 (commercialization of technology). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

((~~(13)~~)) (11) By June 30, 2011, the department shall request information that describes what jurisdictions have adopted, or are in

the process of adopting, plans that address RCW 36.70A.020 and helps achieve the greenhouse gas emission reductions established in RCW 70.235.020. This information request in this subsection applies to jurisdictions that are required to review and if necessary revise their comprehensive plans by December 1, 2011, in accordance with RCW 36.70A.130.

((~~(14)~~)) (12) 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.

((~~(16)~~)) (13) $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.

((~~(18)~~)) (14) $712,000 of the general fund--state appropriation for fiscal year 2010 and $712,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to the office of crime victims advocacy. These funds shall be contracted with the 39 county prosecuting attorneys' offices to support victim-witness services. The funds must be prioritized to ensure a full-time victim-witness coordinator in each county. The office may retain only the amount currently allocated for this activity for administrative costs.

((~~(19)~~)) (15) $306,000 of the general fund--state appropriation for fiscal year 2010 and $306,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant to the retired senior volunteer program.

((~~(20)~~)) (16) $65,000 of the general fund--state appropriation for fiscal year 2010 and $65,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a contract with a food distribution program for communities in the southwestern portion of the state and for workers impacted by timber and salmon fishing closures and reductions. The department may not charge administrative overhead or expenses to the funds provided in this subsection.

((~~(21)~~)) (17) $371,000 of the general fund--state appropriation for fiscal year 2010 and $371,000 of the general fund--state appropriation

for fiscal year 2011 are provided solely to the northwest agriculture business center.

((~~(22)~~)) (18) The department shall administer its growth management act technical assistance so that smaller cities receive proportionately more assistance than larger cities or counties. Pass-through grants shall continue to be funded under 2007-09 policy.

((~~(23)~~)) (19) $212,000 of the general fund--federal appropriation is provided solely for implementation of Second Substitute House Bill No. 1172 (development rights transfer). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

((~~(25)~~)) (20) $69,000 of the general fund--state appropriation for fiscal year 2010 and $66,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Second Substitute House Bill No. 2227 (evergreen jobs act). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

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

((~~(27)~~)) (22) $300,000 of the Washington auto theft prevention authority account--state appropriation is provided solely for a contract with a community group to build local community capacity and economic development within the state by strengthening political relationships between economically distressed communities and governmental institutions. The community group shall identify opportunities for collaboration and initiate activities and events that bring community organizations, local governments, and state agencies together to address the impacts of poverty, political disenfranchisement, and economic inequality on communities of color. These funds must be matched by other nonstate sources on an equal basis.

((~~(28)~~)) (23) $1,800,000 of the home security fund--state

appropriation is provided for transitional housing assistance or partial payments for rental assistance under the independent youth housing program.

((~~(29)~~)) (24) $5,000,000 of the home security fund--state appropriation is provided solely for the operation, repair, and staffing of shelters in the homeless family shelter program.

Sec. 106. 2009 c 564 s 129 (uncodified) is amended to read as follows:

FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL

General Fund--State Appropriation (FY 2010) . . . . . ((~~$727,000~~))
$711,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$793,000~~))
$785,000

TOTAL APPROPRIATION . . . . . ((~~$1,520,000~~))
$1,496,000

Sec. 107. 2009 c 564 s 130 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT

General Fund--State Appropriation (FY 2010) . . . . . ((~~$22,163,000~~))
$21,599,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$20,792,000~~))
$20,670,000

General Fund--Federal Appropriation $23,597,000

General Fund--Private/Local Appropriation $1,270,000

State Auditing Services Revolving
Account--State Appropriation $25,000

Economic Development Strategic Reserve Account--
State Appropriation $280,000

TOTAL APPROPRIATION . . . . . ((~~$68,127,000~~))
$67,441,000

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

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

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

(2) The office of financial management shall conduct a study on alternatives for consolidating or transferring activities and responsibilities of the state lottery commission, state horse racing commission, state liquor control board, and the state gambling commission to achieve cost savings and regulatory efficiencies. In conducting the study, the office of financial management shall consult with the legislative fiscal committees. Further, the office of financial management shall establish an advisory group to include, but not be limited to, representatives of affected businesses, state agencies or entities, local governments, and stakeholder groups. The office of financial management shall submit a final report to the governor and the legislative fiscal committees by November 15, 2009.

(3) $500,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for a study of the feasibility of closing state institutional facilities and a plan on eliminating beds in the state institutional facility inventory. The office of financial management shall contract with consultants with expertise related to the subject matters included in this study. The office of financial management and the consultants shall consult with the department of social and health services, the department of corrections, stakeholder groups that represent the people served in these institutions, labor organizations that represent employees who work in these institutions and other persons or entities with expertise in the areas being studied.

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

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

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

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

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

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

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

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

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

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

Sec. 108. 2009 c 564 s 137 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF REVENUE

General Fund--State Appropriation (FY 2010) . . . . . ((~~$109,412,000~~))
$108,215,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$108,505,000~~))

$106,995,000
Timber Tax Distribution Account--State
Appropriation $5,904,000
Waste Reduction/Recycling/Litter
Control--State Appropriation $130,000
Waste Tire Removal Account--State Appropriation $2,000
Real Estate Excise Tax Grant Account--State
Appropriation $1,050,000
State Toxics Control Account--State Appropriation $87,000
Oil Spill Prevention Account--State Appropriation $19,000
TOTAL APPROPRIATION . . . . . ((~~$225,109,000~~))
$222,402,000

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~~)) $4,653,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$5,242,000~~)) $4,424,000 of the general fund--state appropriation for fiscal year 2011 are for the implementation of revenue enhancement strategies. The strategies must include increased out-of-state auditing and compliance, the purchase of third party data sources for enhanced audit selection, and increased traditional auditing and compliance efforts.

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

Sec. 109. 2009 c 564 s 139 (uncodified) is amended to read as follows:

FOR THE BOARD OF TAX APPEALS

General Fund--State Appropriation (FY 2010) . . . . . .((~~$1,364,000~~))
$1,342,000
General Fund--State Appropriation (FY 2011) . . . . . .((~~$1,368,000~~))

$1,346,000

TOTAL APPROPRIATION . . . . . ((~~$2,732,000~~))

$2,688,000

Sec. 110. 2009 c 564 s 143 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF INFORMATION SERVICES

General Fund--State Appropriation (FY 2010) . . . . . .((~~$1,104,000~~))

$1,086,000

General Fund--State Appropriation (FY 2011) . . . . . .((~~$1,104,000~~))

$1,086,000

General Fund--Federal Appropriation $701,000

Data Processing Revolving Account--State Appropriation . . . $7,824,000

TOTAL APPROPRIATION . . . . . ((~~$10,733,000~~))

$10,697,000

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

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

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

Sec. 111. 2009 c 564 s 151 (uncodified) is amended to read as follows:

FOR THE MILITARY DEPARTMENT

General Fund--State Appropriation (FY 2010) . . . . . ((~~$10,244,000~~)) $10,084,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$10,290,000~~)) $10,190,000

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

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

Disaster Response Account--State Appropriation $28,194,000

Disaster Response Account--Federal Appropriation $91,263,000

Military Department Rent and Lease Account--State Appropriation $615,000

Military Department Active State Service Account--Federal Appropriation $200,000

Worker and Community Right-to-Know Account--State Appropriation $341,000

Nisqually Earthquake Account--State Appropriation $144,000

Nisqually Earthquake Account--Federal Appropriation $856,000

TOTAL APPROPRIATION . . . . . ((~~$330,846,000~~)) $330,586,000

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

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

(2) $144,000 of the Nisqually earthquake account--state appropriation and $856,000 of the Nisqually earthquake account--federal appropriation are provided solely for response and recovery costs associated with the February 28, 2001, earthquake. The military

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

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

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

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

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

(4) $500,000 of the general fund--state appropriation for fiscal year 2010 and $500,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the military department to contract with the Washington information network 2-1-1 to operate a

statewide 2-1-1 system. The department shall provide the entire amount for 2-1-1 and shall use any of the funds for administrative purposes.

Sec. 112. 2009 c 564 s 153 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION

General Fund--State Appropriation (FY 2010) . . . . . .((~~$1,418,000~~)) $1,371,000

General Fund--State Appropriation (FY 2011) . . . . . .((~~$1,380,000~~)) $1,349,000

General Fund--Federal Appropriation $1,653,000

General Fund--Private/Local Appropriation $14,000

TOTAL APPROPRIATION . . . . . .((~~$4,465,000~~)) $4,387,000

Sec. 113. 2009 c 564 s 154 (uncodified) is amended to read as follows:

FOR THE GROWTH MANAGEMENT HEARINGS BOARD

General Fund--State Appropriation (FY 2010) . . . . . .((~~$1,674,000~~)) $1,623,000

General Fund--State Appropriation (FY 2011) $1,549,000

TOTAL APPROPRIATION . . . . . .((~~$3,223,000~~)) $3,172,000

(End of part)

PART II
HUMAN SERVICES

Sec. 201. 2009 c 564 s 202 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) . . . . . ((~~$315,241,000~~)) $314,698,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$317,248,000~~)) $316,181,000

General Fund--Federal Appropriation . . . . . .((~~$496,509,000~~)) $494,889,000

General Fund--Private/Local Appropriation $828,000

Home Security Fund Appropriation $8,389,000

Domestic Violence Prevention Account--State Appropriation $1,154,000

Education Legacy Trust Account--State Appropriation $725,000

TOTAL APPROPRIATION . . . . . .((~~$1,140,094,000~~)) $1,136,864,000

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

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

(2) $993,000 of the general fund--state appropriation for fiscal year 2010 and $993,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to contract for the operation of one pediatric interim care facility. The facility shall provide residential care for up to seventeen children through two years of age. Seventy-five percent of the children served by the facility must be in need of special care as a result of substance abuse by their mothers. The facility shall also provide on-site training to biological, adoptive, or foster parents. The facility shall provide at least three

months of consultation and support to parents accepting placement of children from the facility. The facility may recruit new and current foster and adoptive parents for infants served by the facility. The department shall not require case management as a condition of the contract.

(3) $375,000 of the general fund--state appropriation for fiscal year ((~~2008~~)) 2010, $375,000 of the general fund--state appropriation for fiscal year ((~~2009~~)) 2011, and $322,000 of the general fund--federal appropriation are provided solely for up to three nonfacility-based programs for the training, consultation, support, and recruitment of biological, foster, and adoptive parents of children through age three in need of special care as a result of substance abuse by their mothers, except that each program may serve up to three medically fragile nonsubstance-abuse- affected children. In selecting nonfacility-based programs, preference shall be given to programs whose federal or private funding sources have expired or that have successfully performed under the existing pediatric interim care program.

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

(5) A maximum of $76,831,000 of the general fund--state appropriations and $56,901,000 of the general fund--federal appropriations for the 2009-11 biennium shall be expended for behavioral rehabilitative services and these amounts are provided solely for this purpose. The department shall work with behavioral rehabilitative service providers to decrease the length of stay through improved emotional, behavioral, or medical outcomes for children in behavioral rehabilitative services in order to achieve the appropriated levels.

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

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

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

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

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

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

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

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

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

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

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

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

(13) $1,584,000 of the general fund--state appropriation for fiscal year 2010, $1,584,000 of the general fund--state appropriation for fiscal year 2011, and $1,586,000 of the general fund--federal appropriation are provided solely for the department to recruit foster parents. The recruitment efforts shall include collaborating with community-based organizations and current or former foster parents to recruit foster parents.

(14) $725,000 of the education legacy trust account--state appropriation is provided solely for children's administration to contract with an educational advocacy provider with expertise in foster care educational outreach. Funding is provided solely for contracted education coordinators to assist foster children in succeeding in K-12 and higher education systems. Funding shall be prioritized to regions with high numbers of foster care youth and/or regions where backlogs of youth that have formerly requested educational outreach services exist.

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

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

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

(18) Within the amounts appropriated in this section, the department shall contract for a pilot project with family and community networks in Whatcom county and up to four additional counties to provide services. The pilot project shall be designed to provide a continuum of services that reduce out-of-home placements and the lengths of stay for children in out-of-home placement. The department and the community networks shall collaboratively select the additional counties for the pilot project and shall collaboratively design the contract. Within the framework of the pilot project, the contract shall seek to maximize federal funds. The pilot project in each county shall include the creation of advisory and management teams which

include members from neighborhood-based family advisory committees, residents, parents, youth, providers, and local and regional department staff. The Whatcom county team shall facilitate the development of outcome-based protocols and policies for the pilot project and develop a structure to oversee, monitor, and evaluate the results of the pilot projects. The department shall report the costs and savings of the pilot project to the appropriate committees of the legislature by November 1 of each year.

(19) $157,000 of the general fund--state appropriation for fiscal year 2010 and $157,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to contract with a nonprofit entity for a reunification pilot project in Whatcom and Skagit counties. The contract for the reunification pilot project shall include a rate of $46.16 per hour for evidence-based interventions, in combination with supervised visits, to provide 3,564 hours of services to reduce the length of stay for children in the child welfare system. The contract shall also include evidence-based intensive parenting skills building services and family support case management services for 38 families participating in the reunification pilot project. The contract shall include the flexibility for the nonprofit entity to subcontract with trained providers.

(20) $303,000 of the general fund--state appropriation for fiscal year 2010, $418,000 of the general fund--state appropriation for fiscal year 2011, and $257,000 of the general fund--federal appropriation are provided solely to implement Engrossed Substitute House Bill No. 1961 (increasing adoptions act). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(21) $100,000 of the general fund--state appropriation for fiscal year 2010 and $100,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to contract with an agency that is working in partnership with, and has been evaluated by, the University of Washington school of social work to implement promising practice constellation hub models of foster care support.

(22) The legislature intends for the department to reduce the time a child remains in the child welfare system. The department shall establish a measurable goal and report progress toward meeting that goal to the legislature by January 15 of each fiscal year of the 2009-

11 fiscal biennium. To the extent that actual caseloads exceed those assumed in this section, it is the intent of the legislature to address those issues in a manner similar to all other caseload programs.

Sec. 202. 2009 c 564 s 203 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) . . . . . ((~~$104,870,000~~)) $104,185,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$93,081,000~~)) $92,392,000

General Fund--Federal Appropriation $6,565,000

General Fund--Private/Local Appropriation $1,900,000

Washington Auto Theft Prevention Authority Account--
State Appropriation $3,896,000

Juvenile Accountability Incentive Account--Federal
Appropriation $2,801,000

TOTAL APPROPRIATION . . . . . ((~~$213,113,000~~)) $211,739,000

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

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

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

shall be distributed to counties as prescribed in the current consolidated juvenile services (CJS) formula.

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

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

(5) $3,066,000 of the general fund--state appropriation for fiscal year 2010 and $3,066,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for grants to county juvenile courts for the following programs identified by the Washington state institute for public policy (institute) in its October 2006 report: "Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs and Crime Rates": Functional family therapy, multi-systemic therapy, aggression replacement training and interagency coordination programs, or other programs with a positive benefit-cost finding in the institute's report. County juvenile courts shall apply to the juvenile rehabilitation administration for funding for program-specific participation and the administration shall provide grants to the courts consistent with the per-participant treatment costs identified by the institute.

(6) $1,287,000 of the general fund--state appropriation for fiscal year 2010 and $1,287,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for expansion of the following treatments and therapies in juvenile rehabilitation administration programs identified by the Washington state institute for public policy

in its October 2006 report: "Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs and Crime Rates": Multidimensional treatment foster care, family integrated transitions, and aggression replacement training. The administration may concentrate delivery of these treatments and therapies at a limited number of programs to deliver the treatments in a cost-effective manner.

(7)(a) For the fiscal year ending June 30, 2010, the juvenile rehabilitation administration shall administer a block grant, rather than categorical funding, of consolidated juvenile service funds, community juvenile accountability act grants, the chemical dependency disposition alternative funds, the special sex offender disposition alternative funds, the mental health disposition alternative, sentencing disposition alternative, and evidence-based program expansion grants to juvenile courts for the purpose of serving youth adjudicated in the juvenile justice system. Evidence-based programs, based on the criteria established by the Washington state institute for public policy, and disposition alternatives will be funding priorities. Funds may be used for promising practices when approved by juvenile rehabilitation administration, based on criteria established in consultation with Washington state institute for public policy and the juvenile courts.

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

By September 1, 2010, the Washington state institute for public policy shall provide a report to the office of financial management and the legislature on the administration of the block grant authorized in this subsection. The report shall include the criteria used for allocating the funding as a block grant and the participation targets and actual participation in the programs subject to the block grant.

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

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

(8) $3,700,000 of the Washington auto theft prevention authority account--state appropriation is provided solely for competitive grants to community-based organizations to provide at-risk youth intervention services, including but not limited to, case management, employment services, educational services, and street outreach intervention programs. Projects funded should focus on preventing, intervening, and suppressing behavioral problems and violence while linking at-risk youth to pro-social activities. The department may not expend more than $1,850,000 per fiscal year. The costs of administration must not exceed four percent of appropriated funding for each grant recipient. Each entity receiving funds must report to the juvenile rehabilitation

administration on the number and types of youth served, the services provided, and the impact of those services upon the youth and the community.

Sec. 203. 2009 c 564 s 204 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH PROGRAM

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

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

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

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

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

the regional support network would otherwise need to use at the state hospitals.

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

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

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

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

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

(h) $1,500,000 of the general fund--state appropriation for fiscal year 2010 and $1,500,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Spokane regional support

network to implement services to reduce utilization and the census at eastern state hospital. Such services shall include:

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

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

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

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

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

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

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

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

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

(m) The legislature intends and expects that regional support networks and contracted community mental health agencies shall make all possible efforts to, at a minimum, maintain current compensation levels of direct care staff. Such efforts shall include, but not be limited to, identifying local funding that can preserve client services and staff compensation, achieving administrative reductions at the regional support network level, and engaging stakeholders on cost-savings ideas that maintain client services and staff compensation. For purposes of this section, "direct care staff" means persons employed by community mental health agencies whose primary responsibility is providing direct treatment and support to people with mental illness, or whose primary responsibility is providing direct support to such staff in areas such as client scheduling, client intake, client reception, client records-keeping, and facilities maintenance.

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2010) . . . . . ((~~$120,679,000~~))
$120,637,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$125,017,000~~))
$124,995,000

General Fund--Federal Appropriation . . . . . .((~~$151,300,000~~))

$151,160,000

General Fund--Private/Local Appropriation . . . . . ((~~$65,870,000~~))
$65,868,000

TOTAL APPROPRIATION . . . . . ((~~$462,866,000~~))
$462,660,000

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

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

(b) $231,000 of the general fund--state appropriation for fiscal year 2008 and $231,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for a community partnership between western state hospital and the city of Lakewood to support community policing efforts in the Lakewood community surrounding western state hospital. The amounts provided in this subsection (2)(b) are for the salaries, benefits, supplies, and equipment for one full-time investigator, one full-time police officer, and one full-time community service officer at the city of Lakewood.

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

(3) SPECIAL PROJECTS

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

The appropriations in this subsection are subject to the following conditions and limitations: $1,511,000 of the general fund--state appropriation for fiscal year 2010 and $1,511,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for children's evidence based mental health services. Funding is sufficient to continue serving children at the same levels as fiscal year 2009.

(4) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2010) . . . . . .((~~$4,123,000~~))
$4,077,000
General Fund--State Appropriation (FY 2011) . . . . . .((~~$4,155,000~~))
$4,094,000
General Fund--Federal Appropriation . . . . . .((~~$7,330,000~~))
$7,227,000
TOTAL APPROPRIATION . . . . . ((~~$15,608,000~~))
$15,398,000

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

Sec. 204. 2009 c 564 s 205 (uncodified) is amended to read as follows:

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

(1) COMMUNITY SERVICES

General Fund--State Appropriation (FY 2010) . . . . . ((~~$313,050,000~~))
$311,589,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$368,549,000~~))
$366,489,000
General Fund--Federal Appropriation . . . . . .((~~$851,610,000~~))
$849,263,000
TOTAL APPROPRIATION . . . . . .((~~$1,533,209,000~~))
$1,527,341,000

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

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

(b) Amounts appropriated in this section reflect a reduction to funds appropriated for in-home care. The department shall reduce the

number of in-home hours authorized. The reduction shall be scaled based on the acuity level of care recipients. The largest hour reductions shall be to lower acuity patients and the smallest hour reductions shall be to higher acuity patients. In doing so, the department shall comply with all maintenance of effort requirements contained in the American reinvestment and recovery act.

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

(d) $5,593,000 of the general fund--state appropriation for fiscal year 2010, $4,002,000 of the general fund--state appropriation for fiscal year 2011, and $14,701,000 of the general fund--federal appropriation are provided solely for community residential and support services. Funding in this subsection shall be prioritized for (i) residents of residential habilitation centers who are able to be adequately cared for in community settings and who choose to live in those community settings; (ii) clients without residential services who are at immediate risk of institutionalization or in crisis; (iii) children who are at risk of institutionalization or who are aging out of other state services; and (iv) current home and community-based waiver program clients who have been assessed as having an immediate need for increased services. First priority shall be given to children who are at risk of institutionalization. The department shall ensure that the average cost per day for all program services other than start-up costs shall not exceed $300. In order to maximize the number of clients served and ensure the cost-effectiveness of the waiver programs, the department will strive to limit new client placement expenditures to 90 percent of the budgeted daily rate. If this can be accomplished, additional clients may be served with excess funds, provided the total projected carry-forward expenditures do not exceed the amounts estimated. The department shall electronically report to

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

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

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

(f) $302,000 of the general fund--state appropriation for fiscal year 2010, $831,000 of the general fund--state appropriation for fiscal year 2011, and $1,592,000 of the general fund--federal appropriation are provided solely for health care benefits pursuant to a collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2010) $61,612,000

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

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

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

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

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

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

(3) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2010) . . . . . .((~~$1,428,000~~))
$1,420,000
General Fund--State Appropriation (FY 2011) . . . . . .((~~$1,388,000~~))
$1,372,000
General Fund--Federal Appropriation . . . . . .((~~$1,372,000~~))
$1,360,000
TOTAL APPROPRIATION . . . . . .((~~$4,188,000~~))
$4,152,000

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

(4) SPECIAL PROJECTS

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

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

Sec. 205. 2009 c 564 s 206 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) . . . . . ((~~$585,667,000~~))
$584,741,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$698,622,000~~))
$693,325,000
General Fund--Federal Appropriation . . . . . .((~~$1,814,099,000~~))
$1,805,958,000
General Fund--Private/Local Appropriation . . . . . ((~~$20,373,000~~))
$19,973,000
Traumatic Brain Injury Account--State Appropriation $1,816,000
TOTAL APPROPRIATION . . . . . .((~~$3,120,577,000~~))
$3,105,813,000

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

(1) For purposes of implementing chapter 74.46 RCW, the weighted average nursing facility payment rate shall not exceed $156.37 for fiscal year 2010 and shall not exceed $158.74 for fiscal year 2011, including the rate add-on described in subsection (12) of this section.

There will be no adjustments for economic trends and conditions in fiscal years 2010 and 2011. The economic trends and conditions factor or factors defined in the biennial appropriations act shall not be compounded with the economic trends and conditions factor or factors defined in any other biennial appropriations acts before applying it to the component rate allocations established in accordance with chapter 74.46 RCW. When no economic trends and conditions factor for either fiscal year is defined in a biennial appropriations act, no economic trends and conditions factor or factors defined in any earlier biennial appropriations act shall be applied solely or compounded to the component rate allocations established in accordance with chapter 74.46 RCW.

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

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

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

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

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

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

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

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

(6) $536,000 of the general fund--state appropriation for fiscal year 2010, $1,477,000 of the general fund--state appropriation for fiscal year 2011, and $2,830,000 of the general fund--federal appropriation are provided solely for health care benefits pursuant to a collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270.

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

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

(c) The federal portion of the amounts in this subsection is contingent upon federal approval of participation in contributions to

the trust and shall remain unallotted and placed in reserve status until the office of financial management and the department of social and health services receive federal approval.

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

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

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

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

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

(12) Within the funds provided, the department shall continue to provide an add-on per medicaid resident day per facility not to exceed $1.57. The add-on shall be used to increase wages, benefits, and/or staffing levels for certified nurse aides; or to increase wages and/or benefits for dietary aides, housekeepers, laundry aides, or any other category of worker whose statewide average dollars-per-hour wage was less than $15 in calendar year 2008, according to cost report data. The add-on may also be used to address resulting wage compression for

related job classes immediately affected by wage increases to low-wage workers. The department shall continue reporting requirements and a settlement process to ensure that the funds are spent according to this subsection. The department shall adopt rules to implement the terms of this subsection.

(13) $1,840,000 of the general fund--state appropriation for fiscal year 2010 and $1,877,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for operation of the volunteer chore services program.

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

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

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

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

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

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

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

(17) The department shall not pay a home care agency licensed under

chapter 70.127 RCW for personal care services provided by a family member, pursuant to Substitute House Bill No. 2361 (modifying state payments for in-home care).

(18) $204,000 of the general fund--state appropriation for fiscal year 2010, $1,099,000 of the general fund--state appropriation for fiscal year 2011, and $1,697,000 of the general fund--federal appropriation are provided solely to implement Engrossed House Bill No. 2194 (extraordinary medical placement for offenders). The department shall work in partnership with the department of corrections to identify services and find placements for offenders who are released through the extraordinary medical placement program. The department shall collaborate with the department of corrections to identify and track cost savings to the department of corrections, including medical cost savings and to identify and track expenditures incurred by the aging and disability services program for community services and by the medical assistance program for medical expenses. A joint report regarding the identified savings and expenditures shall be provided to the office of financial management and the appropriate fiscal committees of the legislature by November 30, 2010. If this bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(19) Sufficient funding is provided in this section for the department to implement Engrossed Second Substitute House Bill No. 1935 (adult family homes). During the 2009-11 biennium, the initial licensing fee for an adult family home shall be set at $900.00. During the 2009-11 biennium, the annual licensing renewal fee shall be set at $100.00.

Sec. 206. 2009 c 564 s 207 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES PROGRAM

General Fund--State Appropriation (FY 2010) . . . . . ((~~$557,621,000~~))
$557,452,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$588,286,000~~))
$587,973,000

General Fund--Federal Appropriation . . . . . .((~~$1,140,367,000~~))
$1,139,899,000

General Fund--Private/Local Appropriation $27,920,000
Administrative Contingency Account--State
Appropriation $29,136,000
TOTAL APPROPRIATION . . . . . ((~~$2,343,330,000~~))
$2,342,380,000

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

(1) $303,196,000 of the general fund--state appropriation for fiscal year 2010, $309,755,000 of the general fund--state appropriation for fiscal year 2011, $29,136,000 of the administrative contingency account--state appropriation, and $778,606,000 of the general fund--federal appropriation are provided solely for all components of the WorkFirst program. The department shall use moneys from the administrative contingency account for WorkFirst job placement services provided by the employment security department. Within the amounts provided for the WorkFirst program, the department may provide assistance using state-only funds for families eligible for temporary assistance for needy families. In addition, within the amounts provided for WorkFirst the department shall:

(a) Establish a career services work transition program;

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

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

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

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

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

(3) $84,856,000 of the general fund--state appropriation for fiscal year 2010 and $95,173,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for cash assistance and other services to recipients in the general assistance--unemployable program. Within these amounts:

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

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

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

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

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

months or more as of July 1, 2009, or thereafter, if the available medical and incapacity related evidence indicates that the client is unlikely to meet the disability standard for federal supplemental security income benefits. The evaluation shall identify services necessary to eliminate or minimize barriers to employment, including mental health treatment, substance abuse treatment and vocational rehabilitation services. The department shall expedite referrals to chemical dependency treatment, mental health and vocational rehabilitation services for these clients.

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

((~~(5)~~)) (4) $750,000 of the general fund--state appropriation for fiscal year 2010 and $750,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for naturalization services.

((~~(6)~~)) (5)(a) $3,550,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for refugee employment services, of which $2,650,000 is provided solely for the department to pass through to statewide refugee assistance organizations for limited English proficiency pathway services; and $3,550,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for refugee employment services, of which $2,650,000 is provided solely for the department to pass through to statewide refugee assistance organizations for limited English proficiency pathway services.

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

((~~(7)~~)) (6) The appropriations in this section reflect reductions in the appropriations for the economic services administration's administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or program.

Sec. 207. 2009 c 564 s 208 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) . . . . . ((~~$82,117,000~~)) $82,028,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$84,772,000~~)) $84,682,000

General Fund--Federal Appropriation . . . . . .((~~$145,671,000~~)) $145,604,000

General Fund--Private/Local Appropriation $2,719,000

Criminal Justice Treatment Account--State Appropriation $17,747,000

Problem Gambling Account--State Appropriation $1,459,000

TOTAL APPROPRIATION . . . . . .((~~$334,485,000~~)) $334,239,000

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.

Sec. 208. 2009 c 564 s 209 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE

PROGRAM

General Fund--State Appropriation (FY 2010) . . . . ((~~$1,597,387,000~~))
$1,598,043,000

General Fund--State Appropriation (FY 2011) . . . . ((~~$1,984,797,000~~))
$1,985,797,000

General Fund--Federal Appropriation . . . . . .((~~$5,210,672,000~~))
$5,212,855,000

General Fund--Private/Local Appropriation $12,903,000

Emergency Medical Services and Trauma Care Systems
Trust Account--State Appropriation $15,076,000

Tobacco Prevention and Control Account--
State Appropriation $3,766,000

TOTAL APPROPRIATION . . . . . .((~~$8,824,601,000~~))
$8,828,440,000

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

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

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

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

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

(5) In accordance with RCW 74.46.625, $6,000,000 of the general fund--federal appropriation is provided solely for supplemental payments to nursing homes operated by public hospital districts. The public hospital district shall be responsible for providing the required nonfederal match for the supplemental payment, and the

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

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

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

(8) The department shall continue the inpatient hospital certified public expenditures program for the 2009-11 biennium. The program shall apply to all public hospitals, including those owned or operated by the state, except those classified as critical access hospitals or

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

hospital has received funds in excess of what it would have received as described in this subsection, the hospital must repay the excess amounts to the state when requested. $6,570,000 of the general fund--state appropriation for fiscal year 2010, which is appropriated in section 204(1) of this act, and $1,500,000 of the general fund--state appropriation for fiscal year 2011, which is appropriated in section 204(1) of this act, are provided solely for state grants for the participating hospitals. Sufficient amounts are appropriated in this section for the remaining state grants for the participating hospitals.

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

((~~(12)~~)) (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.

((~~(13)~~)) (11) The department shall require managed health care systems that have contracts with the department to serve medical assistance clients to limit any reimbursements or payments the systems make to providers not employed by or under contract with the systems to no more than the medical assistance rates paid by the department to providers for comparable services rendered to clients in the fee-for-service delivery system.

((~~(16)~~)) (12) A maximum of $166,875,000 of the general fund--state appropriation and $38,389,000 of the general fund--federal appropriation may be expended in the fiscal biennium for the general assistance-unemployable medical program, and these amounts are provided solely for this program. Of these amounts, $10,749,000 of the general fund--state appropriation for fiscal year 2010 and $10,892,000 of the general fund--federal appropriation are provided solely for payments to hospitals for providing outpatient services to low income patients who are recipients of general assistance-unemployable. Pursuant to RCW 74.09.035, the department shall not expend for the general assistance medical care services program any amounts in excess of the amounts provided in this subsection.

((~~(17)~~)) (13) If the department determines that it is feasible within the amounts provided in subsection (16) of this section, and without the loss of federal disproportionate share hospital funds, the department shall contract with the carrier currently operating a managed care pilot project for the provision of medical care services to general assistance-unemployable clients. Mental health services shall be included in the services provided through the managed care system. If the department determines that it is feasible, effective October 1, 2009, in addition to serving clients in the pilot counties, the carrier shall expand managed care services to clients residing in at least the following counties: Spokane, Yakima, Chelan, Kitsap, and Cowlitz. If the department determines that it is feasible, the carrier shall complete implementation into the remaining counties. Total per person costs to the state, including outpatient and inpatient services and any additional costs due to stop loss agreements, shall not exceed the per capita payments projected for the general assistance-unemployable eligibility category, by fiscal year, in the February 2009 medical assistance expenditures forecast. The department, in collaboration with the carrier, shall seek to improve the transition rate of general assistance clients to the federal supplemental security income program.

((~~(18)~~)) (14) The department shall evaluate the impact of the use of a managed care delivery and financing system on state costs and outcomes for general assistance medical clients. Outcomes measured shall include state costs, utilization, changes in mental health status and symptoms, and involvement in the criminal justice system.

((~~(19)~~)) (15) The department shall report to the governor and the fiscal committees of the legislature by June 1, 2010, on its progress toward achieving a twenty percentage point increase in the generic prescription drug utilization rate.

((~~(20)~~)) (16) State funds shall not be used by hospitals for advertising purposes.

((~~(21)~~)) (17) The department shall seek a medicaid state plan amendment to create a professional services supplemental payment program for University of Washington medicine professional providers no later than July 1, 2009. The department shall apply federal rules for identifying the shortfall between current fee-for-service medicaid payments to participating providers and the applicable federal upper

payment limit. Participating providers shall be solely responsible for providing the local funds required to obtain federal matching funds. Any incremental costs incurred by the department in the development, implementation, and maintenance of this program will be the responsibility of the participating providers. Participating providers will retain the full amount of supplemental payments provided under this program, net of any potential costs for any related audits or litigation brought against the state. The department shall report to the governor and the legislative fiscal committees on the prospects for expansion of the program to other qualifying providers as soon as feasibility is determined but no later than December 31, 2009. The report will outline estimated impacts on the participating providers, the procedures necessary to comply with federal guidelines, and the administrative resource requirements necessary to implement the program. The department will create a process for expansion of the program to other qualifying providers as soon as it is determined feasible by both the department and providers but no later than June 30, 2010.

((~~(22)~~)) (18) $9,350,000 of the general fund--state appropriation for fiscal year 2010, $8,313,000 of the general fund--state appropriation for fiscal year 2011, and $20,371,000 of the general fund--federal appropriation are provided solely for development and implementation of a replacement system for the existing medicaid management information system. The amounts provided in this subsection are conditioned on the department satisfying the requirements of section 902 of this act.

((~~(23)~~)) (19) $506,000 of the general fund--state appropriation for fiscal year 2011 and $657,000 of the general fund--federal appropriation are provided solely for the implementation of Second Substitute House Bill No. 1373 (children's mental health). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

((~~(24)~~)) (20) Pursuant to 42 U.S.C. Sec. 1396(a)(25), the department shall pursue insurance claims on behalf of medicaid children served through its in-home medically intensive child program under WAC 388-551-3000. The department shall report to the Legislature by December 31, 2009, on the results of its efforts to recover such claims.

((~~(25)~~)) (21) The department may, on a case-by-case basis and in the best interests of the child, set payment rates for medically intensive home care services to promote access to home care as an alternative to hospitalization. Expenditures related to these increased payments shall not exceed the amount the department would otherwise pay for hospitalization for the child receiving medically intensive home care services.

((~~(26)~~)) (22) $425,000 of the general fund--state appropriation for fiscal year 2010, $425,000 of the general fund--state appropriation for fiscal year 2011, and $1,580,000 of the general fund--federal appropriation are provided solely to continue children's health coverage outreach and education efforts under RCW 74.09.470. These efforts shall rely on existing relationships and systems developed with local public health agencies, health care providers, public schools, the women, infants, and children program, the early childhood education and assistance program, child care providers, newborn visiting nurses, and other community-based organizations. The department shall seek public-private partnerships and federal funds that are or may become available to provide on-going support for outreach and education efforts under the federal children's health insurance program reauthorization act of 2009.

((~~(27)~~)) (23) The department, in conjunction with the office of financial management, shall reduce outpatient and inpatient hospital rates and implement a prorated inpatient payment policy. In determining the level of reductions needed, the department shall include in its calculations services paid under fee-for-service, managed care, and certified public expenditure payment methods; but reductions shall not apply to payments for psychiatric inpatient services or payments to critical access hospitals.

((~~(28)~~)) (24) The department will pursue a competitive procurement process for antihemophilic products, emphasizing evidence-based medicine and protection of patient access without significant disruption in treatment.

((~~(29)~~)) (25) The department will pursue several strategies towards reducing pharmacy expenditures including but not limited to increasing generic prescription drug utilization by 20 percentage points and promoting increased utilization of the existing mail-order pharmacy program.

((~~(30)~~)) (26) The department shall reduce reimbursement for over-the-counter medications while maintaining reimbursement for those over-the-counter medications that can replace more costly prescription medications.

((~~(31)~~)) (27) The department shall seek public-private partnerships and federal funds that are or may become available to implement health information technology projects under the federal American recovery and reinvestment act of 2009.

((~~(32)~~)) (28) The department shall target funding for maternity support services towards pregnant women with factors that lead to higher rates of poor birth outcomes, including hypertension, a preterm or low birth weight birth in the most recent previous birth, a cognitive deficit or developmental disability, substance abuse, severe mental illness, unhealthy weight or failure to gain weight, tobacco use, or African American or Native American race.

((~~(34)~~)) (29) $79,000 of the general fund--state appropriation for fiscal year 2010 and $53,000 of the general fund--federal appropriation are provided solely to implement Substitute House Bill No. 1845 (medical support obligations).

((~~(35)~~)) (30) $63,000 of the general fund--state appropriation for fiscal year 2010, $583,000 of the general fund--state appropriation for fiscal year 2011, and $864,000 of the general fund--federal appropriation are provided solely to implement Engrossed House Bill No. 2194 (extraordinary medical placement for offenders). The department shall work in partnership with the department of corrections to identify services and find placements for offenders who are released through the extraordinary medical placement program. The department shall collaborate with the department of corrections to identify and track cost savings to the department of corrections, including medical cost savings, and to identify and track expenditures incurred by the aging and disability services program for community services and by the medical assistance program for medical expenses. A joint report regarding the identified savings and expenditures shall be provided to the office of financial management and the appropriate fiscal committees of the legislature by November 30, 2010. If this bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

((~~(36)~~)) (31) Sufficient amounts are provided in this section to provide full benefit dual eligible beneficiaries with medicare part D prescription drug copayment coverage in accordance with RCW 74.09.520.

Sec. 209. 2009 c 564 s 210 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) . . . . . ((~~$10,452,000~~))
$10,451,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$10,127,000~~))
$10,125,000

General Fund--Federal Appropriation . . . . . ((~~$83,553,000~~))
$83,534,000

Telecommunications Devices for the Hearing and
Speech Impaired--State Appropriation $1,979,000

TOTAL APPROPRIATION . . . . . ((~~$106,111,000~~))
$106,089,000

The appropriations in this section are subject to the following conditions and limitations: The vocational rehabilitation program shall coordinate closely with the economic services program to serve general assistance unemployable clients who are referred for eligibility determination and vocational rehabilitation services, and shall make every effort, within the requirements of the federal rehabilitation act of 1973, to serve these clients.

Sec. 210. 2009 c 564 s 211 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) . . . . . ((~~$54,027,000~~))
$49,818,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$53,137,000~~))
$47,259,000

TOTAL APPROPRIATION . . . . . ((~~$107,164,000~~))
$97,077,000

Sec. 211. 2009 c 564 s 212 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) . . . . . ((~~$34,549,000~~))
$34,425,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$34,843,000~~))
$34,627,000

General Fund--Federal Appropriation . . . . . ((~~$55,407,000~~))
$55,169,000

General Fund--Private/Local Appropriation $1,526,000

TOTAL APPROPRIATION . . . . . .((~~$126,325,000~~))
$125,747,000

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

(1) $150,000 of the general fund--state appropriation for fiscal year 2010 and $150,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington state mentors program to continue its public-private partnerships to provide technical assistance and training to mentoring programs that serve at-risk youth.

(2) $445,000 of the general fund--state appropriation for fiscal year 2010 and $445,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for funding of the teamchild project through the governor's juvenile justice advisory committee.

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

(4) Amounts appropriated in this section reflect a reduction to the family policy council. The family policy council shall reevaluate staffing levels and administrative costs to ensure to the extent

possible a maximum ratio of grant moneys provided and administrative costs.

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

Sec. 212. 2009 c 564 s 215 (uncodified) is amended to read as follows:

FOR THE HUMAN RIGHTS COMMISSION

General Fund--State Appropriation (FY 2010) . . . . . .((~~$2,802,000~~))
$2,638,000

General Fund--State Appropriation (FY 2011) . . . . . .((~~$2,814,000~~))
$2,533,000

General Fund--Federal Appropriation $1,299,000

TOTAL APPROPRIATION . . . . . ((~~$6,915,000~~))
$6,470,000

Sec. 213. 2009 c 564 s 219 (uncodified) is amended to read as follows:

FOR THE INDETERMINATE SENTENCE REVIEW BOARD

General Fund--State Appropriation (FY 2010) . . . . . .((~~$1,913,000~~))
$1,882,000

General Fund--State Appropriation (FY 2011) . . . . . .((~~$1,917,000~~))
$1,886,000

TOTAL APPROPRIATION . . . . . ((~~$3,830,000~~))
$3,768,000

Sec. 214. 2009 c 564 s 222 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF HEALTH

General Fund--State Appropriation (FY 2010) . . . . . ((~~$108,879,000~~))
$107,413,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$84,169,000~~))
$82,806,000

General Fund--Federal Appropriation $480,871,000

General Fund--Private/Local Appropriation $138,846,000

Hospital Data Collection Account--State Appropriation $326,000
Health Professions Account--State Appropriation $76,218,000
Aquatic Lands Enhancement Account--State Appropriation $603,000
Emergency Medical Services and Trauma Care Systems
Trust Account--State Appropriation $13,531,000
Safe Drinking Water Account--State Appropriation $2,723,000
Drinking Water Assistance Account--Federal
Appropriation $22,817,000
Waterworks Operator Certification--State Appropriation . . . $1,519,000
Drinking Water Assistance Administrative Account--
State Appropriation $326,000
State Toxics Control Account--State Appropriation $3,600,000
Medical Test Site Licensure Account--State Appropriation . . $2,117,000
Youth Tobacco Prevention Account--State Appropriation . . . $1,512,000
Public Health Supplemental Account--Private/Local
Appropriation $3,525,000
Accident Account--State Appropriation $295,000
Medical Aid Account--State Appropriation $48,000
Tobacco Prevention and Control Account--
State Appropriation . . . . . ((~~$46,884,000~~))
$46,852,000
Biotoxin Account--State Appropriation $1,165,000
TOTAL APPROPRIATION . . . . . ((~~$989,974,000~~))
$987,113,000

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

(1) The department of health shall not initiate any services that will require expenditure of state general fund moneys unless expressly authorized in this act or other law. The department of health and the state board of health shall not implement any new or amended rules pertaining to primary and secondary school facilities until the rules and a final cost estimate have been presented to the legislature, and the legislature has formally funded implementation of the rules through the omnibus appropriations act or by statute. The department may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the department receives

unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any other legislation that provides appropriation authority, and an equal amount of appropriated state moneys shall lapse. Upon the lapsing of any moneys under this subsection, the office of financial management shall notify the legislative fiscal committees. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

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

((~~(4)~~)) (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.

((~~(5)~~)) (4) $57,000 of the general fund--state appropriation for fiscal year 2010 and $58,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the midwifery licensure and regulatory program to offset a reduction in revenue from fees. There shall be no change to the current annual fees for new or renewed licenses for the midwifery program. The department shall convene the midwifery advisory committee on a quarterly basis to address issues related to licensed midwifery.

((~~(6)~~)) (5) Funding for the human papillomavirus vaccine shall not be included in the department's universal vaccine purchase program in fiscal year 2010. Remaining funds for the universal vaccine purchase program shall be used to continue the purchase of all other vaccines included in the program until May 1, 2010, or until state funds are exhausted, at which point state funding for the universal vaccine purchase program shall be discontinued. Funds from section 317 of the

federal public health services act direct assistance shall not be used in lieu of state funds.

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

((~~(8)~~)) (7) The department shall eliminate outreach activities for the health care directives registry and use the remaining amounts to maintain the contract for the registry and minimal staffing necessary to administer the basic entry functions for the registry.

((~~(9)~~)) (8) Funding in this section reflects a temporary reduction of resources for the 2009-11 fiscal biennium for the state board of health to conduct health impact reviews.

((~~(10)~~)) (9) Pursuant to RCW 43.135.055 and 43.70.125, the department is authorized to adopt rules to establish a fee schedule to apply to applicants for initial certification surveys of health care facilities for purposes of receiving federal health care program reimbursement. The fees shall only apply when the department has determined that federal funding is not sufficient to compensate the department for the cost of conducting initial certification surveys. The fees for initial certification surveys may be established as follows: Up to $1,815 for ambulatory surgery centers, up to $2,015 for critical access hospitals, up to $980 for end stage renal disease facilities, up to $2,285 for home health agencies, up to $2,285 for hospice agencies, up to $2,285 for hospitals, up to $520 for rehabilitation facilities, up to $690 for rural health clinics, and up to $7,000 for transplant hospitals.

((~~(11)~~)) (10) Funding for family planning grants for fiscal year 2011 is reduced in the expectation that federal funding shall become available to expand coverage of services for individuals through programs at the department of social and health services. In the event that such funding is not provided, the legislature intends to continue funding through a supplemental appropriation at fiscal year 2010 levels.

((~~(12)~~)) (11) $16,000,000 of the tobacco prevention and control account--state appropriation is provided solely for local health jurisdictions to conduct core public health functions as defined in RCW 43.70.514.

((~~(13)~~)) (12) $100,000 of the health professions account appropriation is provided solely for implementation of Substitute House Bill No. 1414 (health care assistants). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

((~~(14)~~)) (13) $42,000 of the health professions account--state appropriation is provided solely to implement Substitute House Bill No. 1740 (dentistry license issuance). If the bill is not enacted by June 30, 2009, the amount provided in this section shall lapse.

((~~(15)~~)) (14) $23,000 of the health professions account--state appropriation is provided solely to implement Second Substitute House Bill No. 1899 (retired active physician licenses). If the bill is not enacted by June 30, 2009, the amount provided in this section shall lapse.

((~~(16)~~)) (15) $12,000 of the general fund--state appropriation for fiscal year 2010 and $67,000 of the general fund--private/local appropriation are provided solely to implement House Bill No. 1510 (birth certificates). If the bill is not enacted by June 30, 2009, the amount provided in this section shall lapse.

((~~(17)~~)) (16) $31,000 of the health professions account is provided for the implementation of Second Substitute Senate Bill No. 5850 (human trafficking). If the bill is not enacted by June 2009, the amount provided in this subsection shall lapse.

((~~(18)~~)) (17) $282,000 of the health professions account is provided for the implementation of Substitute Senate Bill No. 5752 (dentists cost recovery). If the bill is not enacted by June 2009, the amount provided in this subsection shall lapse.

((~~(19)~~)) (18) $106,000 of the health professions account is provided for the implementation of Substitute Senate Bill No. 5601 (speech language assistants). If the bill is not enacted by June 2009, the amount provided in this subsection shall lapse.

Sec. 215. 2009 c 564 s 223 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF CORRECTIONS

(1) ADMINISTRATION AND SUPPORT SERVICES

General Fund--State Appropriation (FY 2010) $55,622,000

General Fund--State Appropriation (FY 2011) $56,318,000

TOTAL APPROPRIATION $111,940,000

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

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

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

(2) CORRECTIONAL OPERATIONS

General Fund--State Appropriation (FY 2010) . . . . . ((~~$459,575,000~~))
<u>$456,657,000</u>

General Fund--State Appropriation (FY 2011) . . . . . ((~~$629,070,000~~))
<u>$626,303,000</u>

General Fund--Federal Appropriation $185,131,000

General Fund--Private/Local Appropriation $3,536,000

Washington Auto Theft Prevention Authority Account--
State Appropriation $5,960,000

TOTAL APPROPRIATION . . . . . ((~~$1,283,272,000~~))
<u>$1,277,587,000</u>

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

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

((~~(c)~~)) (b) 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)~~)) (c) 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)~~)) (d) 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.

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

((~~(h)~~)) (f) Within amounts provided in this subsection, the department, jointly with the department of social and health services, shall identify the number of offenders released through the extraordinary medical placement program, the cost savings to the department of corrections, including estimated medical cost savings,

and the costs for medical services in the community incurred by the department of social and health services. The department and the department of social and health services shall jointly report to the office of financial management and the appropriate fiscal committees of the legislature by November 30, 2010.

((~~(i)~~)) (g) $11,863,000 of the general fund--state appropriation for fiscal year 2010, $11,864,000 of the general fund--state appropriation for fiscal year 2011, and $2,336,000 of the general fund--private/local appropriation are provided solely for in-prison evidence-based programs and for the reception diagnostic center program as part of the offender re-entry initiative.

(3) COMMUNITY SUPERVISION

General Fund--State Appropriation (FY 2010) . . . . . ((~~$152,122,000~~))
$151,249,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$141,982,000~~))
$141,785,000

((~~General Fund--Federal Appropriation . . . . . $750,000~~))

TOTAL APPROPRIATION . . . . . ((~~$294,854,000~~))
$293,034,000

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

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

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

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

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

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

(4) CORRECTIONAL INDUSTRIES

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

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

(5) INTERAGENCY PAYMENTS

General Fund--State Appropriation (FY 2010) $40,455,000
General Fund--State Appropriation (FY 2011) $40,450,000
TOTAL APPROPRIATION $80,905,000

Sec. 216. 2009 c 564 s 225 (uncodified) is amended to read as follows:

FOR THE SENTENCING GUIDELINES COMMISSION

General Fund--State Appropriation (FY 2010) . . . . . ((~~$978,000~~))
$962,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$976,000~~))
$960,000
TOTAL APPROPRIATION . . . . . ((~~$1,954,000~~))
$1,922,000

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

(1) Within the amounts appropriated in this section, the sentencing guidelines commission, in partnership with the courts, shall develop a plan to implement an evidence-based system of community custody for

adult felons that will include the consistent use of evidence-based risk and needs assessment tools, programs, supervision modalities, and monitoring of program integrity. The plan for the evidence-based system of community custody shall include provisions for identifying cost-effective rehabilitative programs; identifying offenders for whom such programs would be cost-effective; monitoring the system for cost-effectiveness; and reporting annually to the legislature. In developing the plan, the sentencing guidelines shall consult with: The Washington state institute for public policy; the legislature; the department of corrections; local governments; prosecutors; defense attorneys; victim advocate groups; law enforcement; the Washington federation of state employees; and other interested entities. The sentencing guidelines commission shall report its recommendations to the governor and the legislature by December 1, 2009.

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

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

(End of part)

PART III
NATURAL RESOURCES

Sec. 301. 2009 c 564 s 302 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2010) . . . . . ((~~$60,166,000~~)) $59,458,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$58,190,000~~)) $57,522,000

General Fund--Federal Appropriation $82,452,000

General Fund--Private/Local Appropriation $16,668,000

Special Grass Seed Burning Research Account--State Appropriation $14,000

Reclamation Account--State Appropriation $3,679,000

Flood Control Assistance Account--State Appropriation $1,965,000

Waste Reduction/Recycling/Litter Control--State Appropriation $14,554,000

State and Local Improvements Revolving Account (Water Supply Facilities)--State Appropriation $426,000

Freshwater Aquatic Algae Control Account--State Appropriation $509,000

Water Rights Tracking System Account--State Appropriation $116,000

Site Closure Account--State Appropriation $706,000

Wood Stove Education and Enforcement Account--State Appropriation $612,000

Worker and Community Right-to-Know Account--State Appropriation $1,670,000

State Toxics Control Account--State Appropriation . . . . . ((~~$101,727,000~~)) $101,705,000

State Toxics Control Account--Private/Local Appropriation $383,000

Local Toxics Control Account--State Appropriation $24,730,000

Water Quality Permit Account--State Appropriation $37,433,000

Underground Storage Tank Account--State
Appropriation $3,298,000
Biosolids Permit Account--State Appropriation $1,413,000
Hazardous Waste Assistance Account--State
Appropriation $5,930,000
Air Pollution Control Account--State Appropriation . . . ((~~$2,843,000~~))
$2,030,000
Oil Spill Prevention Account--State Appropriation $10,688,000
Air Operating Permit Account--State Appropriation $2,783,000
Freshwater Aquatic Weeds Account--State
Appropriation $1,699,000
Oil Spill Response Account--State Appropriation $7,078,000
Metals Mining Account--State Appropriation $14,000
Water Pollution Control Revolving Account--State
Appropriation $465,000
Water Pollution Control Revolving Account--Federal
Appropriation $1,940,000
TOTAL APPROPRIATION . . . . . ((~~$444,200,000~~))
$441,940,000

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

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

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

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

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

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

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

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

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

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

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

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

((~~(13)~~)) (12) $225,000 of the general fund--state appropriation for fiscal year 2010 and $193,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Second Substitute Bill No. 5560 (agency climate leadership). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

((~~(14)~~)) (13) $150,000 of the general fund--state appropriation for fiscal year 2010 and $150,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for watershed planning implementation grants to continue ongoing efforts to develop and implement water agreements in the Nooksack Basin and the Bertrand watershed. These amounts are intended to support project administration; monitoring; negotiations in the Nooksack watershed between tribes, the department, and affected water users; continued implementation of a flow augmentation project; plan implementation in the Fishtrap watershed; and the development of a water bank.

((~~(15)~~)) (14) $215,000 of the general fund--state appropriation for fiscal year 2010 and $235,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to provide watershed planning implementation grants for WRIA 32 to implement Substitute House Bill No. 1580 (pilot local water management program). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

((~~(16)~~)) (15) $200,000 of the general fund--state appropriation for fiscal year 2010 and $200,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the purpose of supporting

the trust water rights program and processing trust water right transfer applications that improve instream flow.

((~~(17)~~)) (16)(a) The department shall convene a stock water working group that includes: Legislators, four members representing agricultural interests, three members representing environmental interests, the attorney general or designee, the director of the department of ecology or designee, the director of the department of agriculture or designee, and affected federally recognized tribes shall be invited to send participants.

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

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

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

((~~(20)~~)) (18) The department shall continue to work with the Columbia Snake River irrigators' association to determine how seasonal water operation and maintenance conservation can be utilized. In implementing this proviso, the department shall also consult with the Columbia River policy advisory group as appropriate.

((~~(21)~~)) (19) The department shall track any changes in costs, wages, and benefits that would have resulted if House Bill No. 1716 (public contract living wages), as introduced in the 2009 regular session of the legislature, were enacted and made applicable to contracts and related subcontracts entered into, renewed, or extended during the 2009-11 biennium. The department shall submit a report to the house of representatives commerce and labor committee and the senate labor, commerce, and consumer protection committee by December 1, 2011. The report shall include data on any aggregate changes in wages and benefits that would have resulted during the 2009-11 biennium.

((~~(22)~~)) (20) Within amounts appropriated in this section the department shall develop recommendations by December 1, 2009, for a convenient and effective mercury-containing light recycling program for

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

((~~(23)~~)) (21) During the 2009-11 biennium, the department shall implement its cost reimbursement authority for processing water right applications using a competitive bidding process. For each cost reimbursement application, the department shall obtain cost proposals and other necessary information from at least three prequalified costs reimbursement consultants and shall select the lowest responsive bidder.

((~~(24)~~)) (22) $140,000 of the freshwater aquatic algae control account--state appropriation is provided solely for grants to cities, counties, tribes, special purpose districts, and state agencies for capital and operational expenses used to manage and study excessive saltwater algae with an emphasis on the periodic accumulation of sea lettuce on Puget Sound beaches.

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

Sec. 302. 2009 c 564 s 303 (uncodified) is amended to read as follows:

FOR THE STATE PARKS AND RECREATION COMMISSION

General Fund--State Appropriation (FY 2010) . . . . . ((~~$23,541,000~~)) $23,326,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$22,944,000~~)) $22,729,000

General Fund--Federal Appropriation $5,902,000

General Fund--Private/Local Appropriation $73,000

Winter Recreation Program Account--State Appropriation $1,558,000

Off Road Vehicle Account--State Appropriation $239,000

Snowmobile Account--State Appropriation $4,842,000

Aquatic Lands Enhancement Account--State Appropriation $363,000

Recreation Resources Account--State Appropriation $9,802,000

NOVA Program Account--State Appropriation $9,560,000

Parks Renewal and Stewardship Account--State Appropriation . . . . . ((~~$73,278,000~~)) $71,778,000

Parks Renewal and Stewardship Account--Private/Local Appropriation $300,000

TOTAL APPROPRIATION . . . . . ((~~$152,402,000~~)) $150,472,000

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.

((~~(3)~~)) (2) Proceeds received from voluntary donations given by motor vehicle registration applicants shall be used solely for the operation and maintenance of state parks.

((~~(5)~~)) (3) With the passage of Substitute House Bill No. 2339 (state parks system donation), the legislature finds that it has provided sufficient funds to ensure that all state parks remain open during the 2009-11 biennium. The commission shall not close state parks unless the bill is not enacted by June 30, 2009, or revenue collections are insufficient to fund the ongoing operation of state

parks. By January 10, 2010, the commission shall provide a report to the legislature on their budget and resources related to operating parks for the remainder of the biennium.

((~~(6)~~)) (4) The commission shall work with the department of general administration to evaluate the commission's existing leases with the intention of increasing net revenue to state parks. The commission shall provide to the office of financial management and the legislative fiscal committees no later than September 30, 2009, a list of leases the commission proposes be managed by the department of general administration.

Sec. 303. 2009 c 564 s 306 (uncodified) is amended to read as follows:

FOR THE CONSERVATION COMMISSION

General Fund--State Appropriation (FY 2010) . . . . . ((~~$7,692,000~~))
$7,575,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$7,707,000~~))
$7,590,000

General Fund--Federal Appropriation $1,179,000

TOTAL APPROPRIATION . . . . . ((~~$16,578,000~~))
$16,344,000

Sec. 304. 2009 c 564 s 307 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF FISH AND WILDLIFE

General Fund--State Appropriation (FY 2010) . . . . . ((~~$41,234,000~~))
$40,686,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$39,939,000~~))
$38,891,000

General Fund--Federal Appropriation $86,330,000

General Fund--Private/Local Appropriation $47,490,000

Off Road Vehicle Account--State Appropriation $415,000

Aquatic Lands Enhancement Account--State
Appropriation $6,757,000

Recreational Fisheries Enhancement--State
Appropriation $3,640,000

Warm Water Game Fish Account--State Appropriation $2,877,000

Eastern Washington Pheasant Enhancement Account--

State Appropriation $848,000
Aquatic Invasive Species Enforcement Account--
State Appropriation $207,000
Aquatic Invasive Species Prevention Account--
State Appropriation $844,000
Wildlife Account--State Appropriation . . . . . ((~~$74,744,000~~))
$76,178,000
Game Special Wildlife Account--State Appropriation $2,381,000
Game Special Wildlife Account--Federal Appropriation $8,928,000
Game Special Wildlife Account--Private/Local
Appropriation $487,000
Wildlife Rehabilitation Account--State Appropriation $270,000
Regional Fisheries Salmonid Recovery Account--
Federal Appropriation $5,001,000
Oil Spill Prevention Account--State Appropriation $884,000
Oyster Reserve Land Account--State Appropriation $918,000
TOTAL APPROPRIATION . . . . . ((~~$324,194,000~~))
$324,032,000

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

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

(2) $355,000 of the general fund--state appropriation for fiscal year 2010 and $422,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to implement a pilot project with the Confederated Tribes of the Colville Reservation to develop expanded recreational fishing opportunities on Lake Rufus Woods and its northern shoreline and to conduct joint enforcement of lake fisheries on Lake Rufus Woods and adjoining waters, pursuant to state and tribal intergovernmental agreements developed under the Columbia River water supply program. For the purposes of the pilot project:

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

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

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

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

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

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

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

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

((~~(6)~~)) (5) $1,232,000 of the state wildlife account--state appropriation is provided solely to implement Substitute House Bill No. 1778 (fish and wildlife). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

((~~(7)~~)) (6) $400,000 of the general fund--state appropriation for fiscal year 2010 and $400,000 of the general fund--state appropriation

for fiscal year 2011 are provided solely for a state match to support the Puget Sound nearshore partnership between the department and the U.S. army corps of engineers.

((~~(8)~~)) (7) $100,000 of the general fund--state appropriation for fiscal year 2010 and $100,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for removal of derelict gear in Washington waters.

((~~(9)~~)) (8) The department of fish and wildlife shall dispose of all fixed wing aircraft it currently owns. The proceeds from the aircraft shall be deposited into the state wildlife account. Disposal of the aircraft must occur no later than June 30, 2010.

((~~(10)~~)) (9) $50,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for an electron project fish passage study consistent with the recommendations and protocols contained in the 2008 electron project downstream fish passage final report.

((~~(11)~~)) (10) $60,000 of the general fund--state appropriation for fiscal year 2010 and $60,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Second Substitute Bill No. 5560 (agency climate leadership). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

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

((~~(13)~~)) (12) $100,000 of the eastern Washington pheasant enhancement account--state appropriation is provided solely for the department to support efforts to enhance permanent and temporary pheasant habitat on public and private lands in Grant, Franklin, and

Adams counties. The department may support efforts by entities including conservation districts, nonprofit organizations, and landowners, and must require such entities to provide significant nonstate matching resources, which may be in the form of funds, material, or labor.

Sec. 305. 2009 c 564 s 309 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF AGRICULTURE

General Fund--State Appropriation (FY 2010) . . . . . ((~~$12,616,000~~)) $12,329,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$12,295,000~~)) $11,271,000

General Fund--Federal Appropriation $11,565,000

General Fund--Private/Local Appropriation $194,000

Aquatic Lands Enhancement Account--State Appropriation $2,559,000

State Toxics Control Account--State Appropriation $4,298,000

Water Quality Permit Account--State Appropriation $61,000

TOTAL APPROPRIATION . . . . . ((~~$43,588,000~~)) $42,277,000

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

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

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

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

Sec. 306. 2009 c 564 s 311 (uncodified) is amended to read as follows:

FOR THE PUGET SOUND PARTNERSHIP

General Fund--State Appropriation (FY 2010) . . . . . .((~~$3,223,000~~)) $3,172,000

General Fund--State Appropriation (FY 2011) . . . . . .((~~$3,194,000~~)) $3,143,000

General Fund--Federal Appropriation $3,623,000

Aquatic Lands Enhancement Account--State Appropriation $500,000

State Toxics Control Account--State Appropriation $896,000

TOTAL APPROPRIATION . . . . . ((~~$11,436,000~~)) $11,334,000

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

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

(2) $896,000 of the state toxics control account--state appropriation is provided solely for activities that contribute to Puget Sound protection and recovery, including provision of independent advice and assessment of the state's oil spill prevention, preparedness, and response programs, including review of existing activities and recommendations for any necessary improvements. The partnership may carry out this function through an existing committee, such as the ecosystem coordination board or the leadership council, or may appoint a special advisory council. Because this is a unique statewide program, the partnership may invite participation from outside the Puget Sound region.

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

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

(5) $877,000 of the general fund--state appropriation for fiscal year 2010 and $877,000 of the general fund--state appropriation for

fiscal year 2011 are provided solely to support public education and volunteer programs. The partnership is directed to distribute the majority of funding as grants to local organizations, local governments, and education, communication, and outreach network partners. The partnership shall track progress for this activity through the accountability system of the Puget Sound partnership.

(End of part)

PART IV
TRANSPORTATION

Sec. 401. 2009 c 564 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

General Fund--State Appropriation (FY 2010) . . . . . .((~~$1,668,000~~)) $1,436,000

General Fund--State Appropriation (FY 2011) . . . . . .((~~$1,712,000~~)) $1,535,000

Architects' License Account--State Appropriation . . . . ((~~$1,056,000~~)) $767,000

Professional Engineers' Account--State Appropriation $3,586,000

Real Estate Commission Account--State Appropriation $10,047,000

Master License Account--State Appropriation $15,718,000

Uniform Commercial Code Account--State Appropriation $3,100,000

Real Estate Education Account--State Appropriation $276,000

Real Estate Appraiser Commission Account--State Appropriation $1,692,000

Business and Professions Account--State Appropriation . . . $15,270,000

Real Estate Research Account--State Appropriation $320,000

Geologists' Account--State Appropriation $53,000

Derelict Vessel Removal Account--State Appropriation $31,000

TOTAL APPROPRIATION . . . . . ((~~$55,828,000~~)) $53,831,000

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.

((~~(4)~~)) (3) $358,000 of the business and professions account--state

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

Sec. 402. 2009 c 564 s 402 (uncodified) is amended to read as follows:

FOR THE STATE PATROL

General Fund--State Appropriation (FY 2010) . . . . . ((~~$41,468,000~~)) $40,668,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$40,366,000~~)) $39,566,000

General Fund--Federal Appropriation $11,401,000

General Fund--Private/Local Appropriation $3,568,000

Death Investigations Account--State Appropriation $6,022,000

Enhanced 911 Account--State Appropriation $589,000

County Criminal Justice Assistance Account--State Appropriation $3,122,000

Municipal Criminal Justice Assistance Account--State Appropriation $1,245,000

Fire Service Trust Account--State Appropriation $131,000

Disaster Response Account--State Appropriation $8,002,000

Fire Service Training Account--State Appropriation $8,717,000

Aquatic Invasive Species Enforcement Account--State Appropriation $54,000

State Toxics Control Account--State Appropriation $504,000

Fingerprint Identification Account--State Appropriation . . $7,371,000

TOTAL APPROPRIATION . . . . . ((~~$132,560,000~~)) $130,960,000

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.

((~~(4)~~)) (3) The 2010 legislature will review the use of king air planes by the executive branch and the adequacy of funding in this budget regarding maintaining and operating the planes to successfully accomplish their mission.

((~~(5)~~)) (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.

((~~(6)~~)) (5) $400,000 of the fire service training account--state appropriation is provided solely for the firefighter apprenticeship training program.

((~~(7)~~)) (6) $48,000 of the fingerprint identification account--state appropriation is provided solely to implement Substitute House Bill No. 1621 (consumer loan companies). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(End of part)

PART V
EDUCATION

Sec. 501. 2009 c 564 s 513 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM PROGRAMS

General Fund--State Appropriation (FY 2010) . . . . . ((~~$95,181,000~~))
$93,681,000

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

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

Education Legacy Trust Account--State
Appropriation $95,112,000

TOTAL APPROPRIATION . . . . . ((~~$445,431,000~~))
$443,931,000

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

(1) $36,806,000 of the general fund--state appropriation for fiscal year 2010, $34,516,000 of the general fund--state appropriation for fiscal year 2011, $1,350,000 of the education legacy trust account--state appropriation, and $15,868,000 of the general fund--federal appropriation are provided solely for development and implementation of the Washington assessments of student learning (WASL), including: (i) Development and implementation of retake assessments for high school students who are not successful in one or more content areas of the WASL; and (ii) development and implementation of alternative assessments or appeals procedures to implement the certificate of academic achievement. The superintendent of public instruction shall report quarterly on the progress on development and implementation of alternative assessments or appeals procedures. Within these amounts, the superintendent of public instruction shall contract for the early return of 10th grade student WASL results, on or around June 10th of each year.

(2) $3,249,000 of the general fund--state appropriation for fiscal year 2010 and $3,249,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the design of the state

assessment system and the implementation of end of course assessments for high school math.

(3) $1,014,000 of the education legacy trust account appropriation is provided solely for allocations to districts for salaries and benefits for the equivalent of two additional professional development days for fourth and fifth grade teachers during the 2008-2009 school year. The allocations shall be made based on the calculations of certificated instructional staff units for fourth and fifth grade provided in section 502 of this act and on the calculations of compensation provided in sections 503 and 504 of this act. Districts may use the funding to support additional days for professional development as well as job-embedded forms of professional development.

(4) $3,241,000 of the education legacy trust fund appropriation is provided solely for allocations to districts for salaries and benefits for the equivalent of three additional professional development days for middle and high school math and science teachers during the 2008-2009 school year, as well as specialized training for one math and science teacher in each middle school and high school during the 2008-2009 school year. Districts may use the funding to support additional days for professional development as well as job-embedded forms of professional development.

(5) $3,850,000 of the education legacy trust account--state appropriation is provided solely for a math and science instructional coaches program pursuant to chapter 396, Laws of 2007. Funding shall be used to provide grants to schools and districts to provide salaries, benefits, and professional development activities for up to twenty-five instructional coaches in middle and high school math and twenty-five instructional coaches in middle and high school science in each year of the biennium; and up to $300,000 may be used by the office of the superintendent of public instruction to administer and coordinate the program.

(6) $1,781,000 of the general fund--state appropriation for fiscal year 2010 and $1,943,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to allow approved middle and junior high school career and technical education programs to receive enhanced vocational funding. The office of the superintendent of public instruction shall provide allocations to districts for middle and junior high school students in accordance with the funding formulas

provided in section 502 of this act. If Second Substitute Senate Bill No. 5676 is enacted the allocations are formula-driven, otherwise the office of the superintendent shall consider the funding provided in this subsection as a fixed amount, and shall adjust funding to stay within the amounts provided in this subsection.

(7) $139,000 of the general fund--state appropriation for fiscal year 2010 and $139,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for (a) staff at the office of the superintendent of public instruction to coordinate and promote efforts to develop integrated math, science, technology, and engineering programs in schools and districts across the state; and (b) grants of $2,500 to provide twenty middle and high school teachers each year professional development training for implementing integrated math, science, technology, and engineering program in their schools.

(8) $1,579,000 of the general fund--state appropriation for fiscal year 2010 and $1,579,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington state leadership and assistance for science education reform (LASER) regional partnership activities coordinated at the Pacific science center, including instructional material purchases, teacher and principal professional development, and school and community engagement events. Funding shall be distributed to the various LASER activities in a manner proportional to LASER program spending during the 2007-2009 biennium.

(9) $81,010,000 of the education legacy trust account--state appropriation is provided solely for grants for voluntary full-day kindergarten at the highest poverty schools, as provided in chapter 400, Laws of 2007. The office of the superintendent of public instruction shall provide allocations to districts for recipient schools in accordance with the funding formulas provided in section 502 of this act. Each kindergarten student who enrolls for the voluntary full-day program in a recipient school shall count as one-half of one full-time equivalent student for the purpose of making allocations under this subsection. Although the allocations are formula-driven, the office of the superintendent shall consider the funding provided in this subsection as a fixed amount, and shall limit the number of recipient schools so as to stay within the amounts appropriated each fiscal year in this subsection. The funding provided in this

subsection is estimated to provide full-day kindergarten programs for 20 percent of kindergarten enrollment. Funding priority shall be given to schools with the highest poverty levels, as measured by prior year free and reduced priced lunch eligibility rates in each school. Additionally, as a condition of funding, school districts must agree to provide the full-day program to the children of parents who request it in each eligible school. For the purposes of calculating a school district levy base, funding provided in this subsection shall be considered a state block grant program under RCW 84.52.0531.

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

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

(10) $700,000 of the general fund--state appropriation for fiscal year 2010 and $900,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the development of a leadership academy for school principals and administrators. The superintendent of public instruction shall contract with an independent organization to design, field test, and implement a state-of-the-art education leadership academy that will be accessible throughout the state. Initial development of the content of the academy activities shall be supported by private funds. Semiannually the independent organization shall report on amounts committed by foundations and others to support the development and implementation of this program. Leadership academy partners, with varying roles, shall include the state level organizations for school administrators and principals, the superintendent of public instruction, the professional educator standards board, and others as the independent organization shall identify.

(11) $105,754,000 of the general fund--federal appropriation is provided for preparing, training, and recruiting high quality teachers and principals under Title II of the no child left behind act.

(12) ((~~$3,046,000~~)) $1,546,000 of the general fund--state appropriation for fiscal year 2010 and $3,046,000 of the general fund--

state appropriation for fiscal year 2011 are provided solely to the office of the superintendent of public instruction for focused assistance. The office of the superintendent of public instruction shall conduct educational audits of low-performing schools and enter into performance agreements between school districts and the office to implement the recommendations of the audit and the community. Funding in this subsection may be used for focused assistance programs for individual schools as well as school districts.

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

(14) $1,667,000 of the general fund--state appropriation for fiscal year 2010 and $1,667,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to eliminate the lunch co-pay for students in grades kindergarten through third grade that are eligible for reduced price lunch.

(15) $5,285,000 of the general fund--state appropriation for fiscal year 2010 and $5,285,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for: (a) The meals for kids program under RCW 28A.235.145 through 28A.235.155; (b) to eliminate the breakfast co-pay for students eligible for reduced price lunch; and (c) for additional assistance for school districts initiating a summer food service program.

(16) $1,056,000 of the general fund--state appropriation for fiscal year 2010 and $1,056,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington reading corps. The superintendent shall allocate reading corps members to low-performing schools and school districts that are implementing comprehensive, proven, research-based reading programs. Two or more schools may combine their Washington reading corps programs. Grants provided under this section may be used by school districts for expenditures from September 2009 through August 31, 2011.

(17) $3,594,000 of the general fund--state appropriation for fiscal year 2010 and $3,594,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for grants to school districts to provide a continuum of care for children and families to help children become ready to learn. Grant proposals from school districts shall contain local plans designed collaboratively with community service

providers. If a continuum of care program exists in the area in which the school district is located, the local plan shall provide for coordination with existing programs to the greatest extent possible. Grant funds shall be allocated pursuant to RCW 70.190.040.

(18) $1,959,000 of the general fund--state appropriation for fiscal year 2010 and $1,959,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for improving technology infrastructure, monitoring and reporting on school district technology development, promoting standards for school district technology, promoting statewide coordination and planning for technology development, and providing regional educational technology support centers, including state support activities, under chapter 28A.650 RCW.

(19) $225,000 of the general fund--state appropriation for fiscal year 2010 and $225,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the operation of the center for the improvement of student learning pursuant to RCW 28A.300.130.

(20) $250,000 of the education legacy trust account--state appropriation is provided solely for costs associated with the office of the superintendent of public instruction's statewide director of technology position.

(21)(a) $28,270,000 of the general fund--state appropriation for fiscal year 2010 and $36,513,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the following bonuses for teachers who hold valid, unexpired certification from the national board for professional teaching standards and who are teaching in a Washington public school, subject to the following conditions and limitations:

(i) For national board certified teachers, a bonus of $5,000 per teacher beginning in the 2007-08 school year and adjusted for inflation in each school year thereafter in which Initiative 732 cost of living adjustments are provided. National board certified teachers who become public school principals shall continue to receive this bonus for as long as they are principals and maintain the national board certification;

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

60 percent of student headcount enrollment is eligible for federal free or reduced price lunch, or (C) elementary schools where at least 70 percent of student headcount enrollment is eligible for federal free or reduced price lunch;

(iii) The superintendent of public instruction shall adopt rules to ensure that national board certified teachers meet the qualifications for bonuses under (a)(ii) of this subsection for less than one full school year receive bonuses in a pro-rated manner; and

(iv) During the 2009-10 and 2010-11 school years, and within the available appropriation, certificated instructional staff who have met the eligibility requirements and have applied for certification from the national board for professional teaching standards may receive a conditional two thousand dollars or the amount set by the office of the superintendent of public instruction to contribute toward the current assessment fee, not including the initial up-front candidacy payment. The fee shall be an advance on the first annual bonus under RCW 28A.405.415. The assessment fee for national certification is provided in addition to compensation received under a district's salary schedule adopted in accordance with RCW 28A.405.200 and shall not be included in calculations of a district's average salary and associated salary limitation under RCW 28A.400.200. Recipients who fail to receive certification after three years are required to repay the assessment fee, not including the initial up-front candidacy payment, as set by the national board for professional teaching standards and administered by the office of the superintendent of public instruction. The office of the superintendent of public instruction shall adopt rules to define the terms for initial grant of the assessment fee and repayment, including applicable fees.

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

(22) $2,750,000 of the general fund--state appropriation for fiscal year 2010 and $2,750,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for secondary career and technical education grants pursuant to chapter 170, Laws of 2008. This funding may additionally be used to support FIRST Robotics programs.

(23) $300,000 of the general fund--state appropriation for fiscal year 2010 and $300,000 of the general fund--state appropriation for

fiscal year 2011 are provided solely for the local farms-healthy kids program as described in chapter 215, Laws of 2008.

(24) $2,348,000 of the general fund--state appropriation for fiscal year 2010 and $2,348,000 of the general fund--state appropriation for fiscal year 2011 are appropriated for a beginning educator support program. School districts and/or regional consortia may apply for grant funding beginning in the 2009-10 school year. The superintendent shall implement this program in 5 to 15 school districts and/or regional consortia. The program provided by a district and/or regional consortia shall include: A paid orientation; assignment of a qualified mentor; development of a professional growth plan for each beginning teacher aligned with professional certification; release time for mentors and new teachers to work together, and teacher observation time with accomplished peers. $250,000 may be used to provide state-wide professional development opportunities for mentors and beginning educators. The superintendent of public instruction shall adopt rules to establish and operate a research-based beginning educator support program no later than August 31, 2009. OSPI must evaluate the program's progress and may contract for this work. A report to the legislature about the beginning educator support program is due November 1, 2010.

(25) $4,400,000 of the education legacy trust account--state appropriation is provided solely for the development and implementation of diagnostic assessments, consistent with the recommendations of the Washington assessment of student learning work group.

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

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

NEW SECTION. **Sec. 502.** 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 part)

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