ESHB 1086 - S COMM AMD
By Committee on Ways & Means

Strike everything after the enacting clause and insert the following:

"PART I
GENERAL GOVERNMENT

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

FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE

General Fund--State Appropriation (FY 2010) $2,874,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$3,152,000~~))
$2,954,000
TOTAL APPROPRIATION . . . . . ((~~$6,026,000~~))
$5,828,000

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

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

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

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

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

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

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

(a) Revenue sources for state recreational boating programs;

(b) Expenditures for state boating programs;

(c) Methods of administrating state recreational boating programs, including the roles of both state and local government entities; and

(d) Approaches other states have taken to funding and administering their recreational boating programs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) One member is the state treasurer;

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

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

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

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

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

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

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

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

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

FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE

General Fund--State Appropriation (FY 2010) $8,652,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$8,506,000~~))
<u>$7,971,000</u>

TOTAL APPROPRIATION . . . . . ((~~$17,158,000~~))
<u>$16,623,000</u>

Sec. 103. 2010 1st sp.s. c 37 s 107 (uncodified) is amended to read as follows:

FOR THE STATUTE LAW COMMITTEE

General Fund--State Appropriation (FY 2010) $4,611,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$4,864,000~~)) $4,558,000

TOTAL APPROPRIATION . . . . . ((~~$9,475,000~~)) $9,169,000

Sec. 104. 2010 2nd sp.s. c 1 s 105 (uncodified) is amended to read as follows:

FOR THE REDISTRICTING COMMISSION

General Fund--State Appropriation (FY 2011) . . . . . ((~~$992,000~~)) $1,045,000

The appropriations in this section are subject to the following conditions and limitations: ((~~$505,000~~)) $473,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the support of legislative redistricting efforts. Prior to the appointment of the redistricting commission, the secretary of the senate and chief clerk of the house of representatives may jointly authorize the expenditure of these funds to facilitate preparations for the 2012 redistricting effort. Following the appointment of the commission, the house of representatives and senate shall enter into an interagency agreement with the commission authorizing the continued expenditure of these funds for legislative redistricting support.

Sec. 105. 2010 2nd sp.s. c 1 s 109 (uncodified) is amended to read as follows:

FOR THE ADMINISTRATOR FOR THE COURTS

General Fund--State Appropriation (FY 2010) $52,644,000

General Fund--State Appropriation (FY 2011) $49,760,000

General Fund--Federal Appropriation $979,000

Judicial Information Systems Account--State Appropriation $33,406,000

Judicial Stabilization Trust Account--State Appropriation $6,598,000

TOTAL APPROPRIATION $143,387,000

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

(1) $1,800,000 of the general fund--state appropriation for fiscal year 2010 and $1,687,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for school districts for petitions to juvenile court for truant students as provided in RCW 28A.225.030 and 28A.225.035. The office of the administrator for the courts shall develop an interagency agreement with the superintendent of public instruction to allocate the funding provided in this subsection. Allocation of this money to school districts shall be based on the number of petitions filed. This funding includes amounts school districts may expend on the cost of serving petitions filed under RCW 28A.225.030 by certified mail or by personal service or for the performance of service of process for any hearing associated with RCW 28A.225.030.

(2)(a) $8,252,000 of the general fund--state appropriation for fiscal year 2010 and $7,734,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for distribution to county juvenile court administrators to fund the costs of processing truancy, children in need of services, and at-risk youth petitions. The administrator for the courts, in conjunction with the juvenile court administrators, shall develop an equitable funding distribution formula. The formula shall neither reward counties with higher than average per-petition processing costs nor shall it penalize counties with lower than average per-petition processing costs.

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

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

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

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

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

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

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

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

(5) $3,000,000 of the judicial information systems account--state appropriation is provided solely for replacing computer equipment at state courts, and at state judicial agencies. The administrator for

the courts shall prioritize equipment replacement purchasing and shall fund those items that are most essential or critical. By October 1, 2010, the administrative office of the courts shall report to the appropriate legislative fiscal committees on expenditures for equipment under this subsection.

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

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

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

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

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

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

<u>(12) In accordance with RCW 43.135.055, the administrative office of the courts is authorized to adopt and increase the fees set forth in and previously authorized in section 6, chapter 491, Laws of 2009.</u>

Sec. 106. 2010 2nd sp.s. c 1 s 114 (uncodified) is amended to read as follows:

FOR THE SECRETARY OF STATE

General Fund--State Appropriation (FY 2010) $21,105,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$13,535,000~~))
$13,612,000

General Fund--Federal Appropriation $8,082,000

Archives and Records Management Account--State
Appropriation $8,990,000

Charitable Organization Education Account--State
Appropriation $76,000

Department of Personnel Service Account--State
Appropriation $757,000

Election Account--State Appropriation $77,000

Local Government Archives Account--State
Appropriation $11,515,000

Election Account--Federal Appropriation $31,163,000

TOTAL APPROPRIATION . . . . . ((~~$95,300,000~~))
$95,377,000

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 $1,845,000 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) In implementing budget reductions, the office of the secretary of state must make its first priority to maintain funding for the elections division.

(5) $76,000 of the charitable organization education account--state appropriation for fiscal year 2011 is provided solely to implement Second Substitute House Bill No. 2576 (corporation and charity fees). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(6) $77,000 of the general fund--state appropriation for fiscal year ((~~2010~~)) 2011 is provided solely for deposit to the election account.

Sec. 107. 2010 1st sp.s. c 37 s 118 (uncodified) is amended to read as follows:

FOR THE PUBLIC DISCLOSURE COMMISSION

General Fund--State Appropriation (FY 2010) $2,249,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$2,212,000~~))
$1,969,000

TOTAL APPROPRIATION . . . . . ((~~$4,461,000~~))
$4,218,000

Sec. 108. 2010 1st sp.s. c 37 s 120 (uncodified) is amended to read as follows:

FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS

General Fund--State Appropriation (FY 2010) $275,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$262,000~~))
$233,000

TOTAL APPROPRIATION . . . . . ((~~$537,000~~))
$508,000

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

Sec. 109. 2010 1st sp.s. c 37 s 121 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON ASIAN PACIFIC AMERICAN AFFAIRS

General Fund--State Appropriation (FY 2010) $216,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$236,000~~))
$221,000

TOTAL APPROPRIATION . . . . . ((~~$452,000~~))
$437,000

Sec. 110. 2010 1st sp.s. c 37 s 123 (uncodified) is amended to read as follows:

FOR THE STATE AUDITOR

General Fund--State Appropriation (FY 2010) $722,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$717,000~~)) $638,000

State Auditing Services Revolving Account--State Appropriation $10,749,000

TOTAL APPROPRIATION . . . . . ((~~$12,188,000~~)) $12,109,000

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

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

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

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

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

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

Sec. 111. 2010 1st sp.s. c 37 s 124 (uncodified) is amended to read as follows:

FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS

General Fund--State Appropriation (FY 2010) $168,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$206,000~~))
$193,000
TOTAL APPROPRIATION . . . . . ((~~$374,000~~))
$361,000

Sec. 112. 2010 2nd sp.s. c 1 s 115 (uncodified) is amended to read as follows:

FOR THE ATTORNEY GENERAL

General Fund--State Appropriation (FY 2010) $5,732,000
General Fund--State Appropriation (FY 2011) $5,272,000
General Fund--Federal Appropriation $4,026,000
New Motor Vehicle Arbitration Account--State
Appropriation $1,350,000
Legal Services Revolving Account--State
Appropriation . . . . . ((~~$220,909,000~~))
$224,523,000
Tobacco Prevention and Control Account--State
Appropriation $270,000
TOTAL APPROPRIATION . . . . . ((~~$237,559,000~~))
$241,173,000

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

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

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

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

(3) The 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.

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

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

Sec. 113. 2010 1st sp.s. c 37 s 126 (uncodified) is amended to read as follows:

FOR THE CASELOAD FORECAST COUNCIL

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

General Fund--State Appropriation (FY 2011) . . . . . ((~~$742,000~~))

$660,000

TOTAL APPROPRIATION . . . . . ((~~$1,508,000~~))
$1,426,000

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. 114. 2010 1st sp.s. c 37 s 127 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMERCE

General Fund--State Appropriation (FY 2010) $49,670,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$40,577,000~~))
$35,852,000
General Fund--Federal Appropriation . . . . . .((~~$381,918,000~~))
$385,491,000
General Fund--Private/Local Appropriation $10,622,000
Public Works Assistance Account--State
Appropriation $2,974,000
Tourism Development and Promotion Account--State
Appropriation . . . . . ((~~$1,003,000~~))
$798,000
Drinking Water Assistance Administrative
Account--State Appropriation $433,000
Lead Paint Account--State Appropriation $35,000
Building Code Council Account--State Appropriation $688,000
Home Security Fund Account--State Appropriation . . . . ((~~$25,486,000~~))
$24,486,000
Affordable Housing for All Account--State
Appropriation $11,896,000
Washington Auto Theft Prevention Authority
Account--State Appropriation $300,000
Independent Youth Housing Account--State
Appropriation $220,000

County Research Services Account--State Appropriation $469,000
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 $6,882,000
City and Town Research Services Account--State
Appropriation $2,246,000
Manufacturing Innovation and Modernization
Account--State Appropriation $230,000
Community and Economic Development Fee
Account--State Appropriation $6,922,000
Washington Housing Trust Account--State
Appropriation $15,348,000
Prostitution Prevention and Intervention Account--
State Appropriation $125,000
Public Facility Construction Loan Revolving
Account--State Appropriation $754,000
TOTAL APPROPRIATION . . . . . ((~~$560,314,000~~))
$557,957,000

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

(1) $2,378,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$2,379,000~~)) $2,248,000 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~~)) $89,000 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.

(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.

(8) $20,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$20,000~~)) <u>$18,000</u> 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.

(9) $500,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$500,000~~)) <u>$447,000</u> 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.

(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.

(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 in accordance with RCW 36.70A.130.

(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.

(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.

(14) $712,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$712,000~~)) $559,000 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.

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

(16) $65,000 of the general fund--state appropriation for fiscal year 2010 is 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.

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

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

(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.

(20) $69,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$66,000~~)) $60,000 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.

(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.

(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.

(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.

(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.

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

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

((~~(29)~~)) (27) $3,231,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$3,231,000~~)) $3,053,000 of the general fund-state appropriation for fiscal year 2011 are provided solely for associate development organizations.

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

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

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

((~~(33) $100,000~~)) (30) $62,000 of the general fund--state appropriation for fiscal year 2011 is provided solely to:

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

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

((~~(34) $1,000,000~~)) (31) $850,000 of the general fund--state appropriation for fiscal year 2011 is provided solely to implement the provisions of chapter 13, Laws of 2010 (global health program).

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

(a) The department must:

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

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

(B) Disseminate information about available entrepreneurial development and small business assistance services, programs, and resources via in-person presentations and electronic and printed

materials and undertake other activities to raise awareness of entrepreneurial training and small business assistance offerings; and

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

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

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

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

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

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

((~~(37)~~)) (33) $50,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for a grant to HistoryLink.

Sec. 115. 2010 1st sp.s. c 37 s 128 (uncodified) is amended to read as follows:

FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL

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

General Fund--State Appropriation (FY 2011) . . . . . ((~~$772,000~~)) $723,000

TOTAL APPROPRIATION . . . . . ((~~$1,483,000~~)) $1,434,000

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

Sec. 116. 2010 1st sp.s. c 37 s 130 (uncodified) is amended to read as follows:

FOR THE OFFICE OF ADMINISTRATIVE HEARINGS

Administrative Hearings Revolving Account--State Appropriation . . . . . ((~~$33,978,000~~)) $34,468,000

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

Sec. 117. 2010 1st sp.s. c 37 s 133 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON HISPANIC AFFAIRS

General Fund--State Appropriation (FY 2010) $250,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$255,000~~)) $227,000

TOTAL APPROPRIATION . . . . . ((~~$505,000~~)) $477,000

Sec. 118. 2010 1st sp.s. c 37 s 134 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS

General Fund--State Appropriation (FY 2010) $243,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$236,000~~))
$210,000

TOTAL APPROPRIATION . . . . . ((~~$479,000~~))
$453,000

Sec. 119. 2010 2nd sp.s. c 1 s 117 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF REVENUE

General Fund--State Appropriation (FY 2010) $109,472,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$113,279,000~~))
$107,662,000

Timber Tax Distribution Account--State
Appropriation $5,933,000

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 $3,429,000

State Toxics Control Account--State Appropriation $87,000

Oil Spill Prevention Account--State Appropriation $19,000

TOTAL APPROPRIATION . . . . . ((~~$232,351,000~~))
$226,734,000

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

(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.

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

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

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

Sec. 120. 2010 1st sp.s. c 37 s 138 (uncodified) is amended to read as follows:

FOR THE BOARD OF TAX APPEALS

General Fund--State Appropriation (FY 2010) $1,346,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,318,000~~))
$1,195,000
TOTAL APPROPRIATION . . . . . ((~~$2,664,000~~))
$2,541,000

Sec. 121. 2010 1st sp.s. c 37 s 141 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

General Fund--State Appropriation (FY 2010) $815,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$3,963,000~~))
$3,527,000
General Fund--Federal Appropriation $2,956,000
Building Code Council Account--State Appropriation . . . . ((~~$593,000~~))
$875,000

General Fund--Private/Local Appropriation $84,000
General Administration Service Account--State
Appropriation . . . . . ((~~$31,748,000~~))
$31,397,000
TOTAL APPROPRIATION . . . . . ((~~$40,159,000~~))
$39,654,000

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

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

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

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

(4) In accordance with RCW 46.08.172 and 43.135.055, the department is authorized to increase parking fees in fiscal year 2011 as necessary to meet the actual costs of conducting business.

Sec. 122. 2010 1st sp.s. c 37 s 142 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF INFORMATION SERVICES

General Fund--State Appropriation (FY 2010) $1,086,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,080,000~~))

$1,012,000

General Fund--Federal Appropriation $701,000

General Fund--Private/Local Appropriation $178,000

Data Processing Revolving Account--State

Appropriation $7,601,000

TOTAL APPROPRIATION . . . . . ((~~$10,646,000~~))

$10,578,000

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.

(3) $178,000 of the general fund--private/local appropriation is provided solely for the implementation of the opportunity portal under Second Substitute House Bill No. 2782 (security lifeline act). If the

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

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

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

Sec. 123. 2010 1st sp.s. c 37 s 146 (uncodified) is amended to read as follows:

FOR THE LIQUOR CONTROL BOARD

Liquor Control Board Construction and Maintenance
Account--State Appropriation $8,817,000
Liquor Revolving Account--State Appropriation . . . . ((~~$156,580,000~~))
$156,691,000
TOTAL APPROPRIATION . . . . . ((~~$165,397,000~~))
$165,508,000

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

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

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

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

(4) $173,000 of the liquor revolving account--state appropriation

is provided solely for the Engrossed House Bill No. 2040 (beer and wine regulation commission). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

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

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

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

Sec. 124. 2010 1st sp.s. c 37 s 148 (uncodified) is amended to read as follows:

FOR THE MILITARY DEPARTMENT

General Fund--State Appropriation (FY 2010) $9,350,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$8,874,000~~))
<u>$7,898,000</u>

General Fund--Federal Appropriation $168,599,000

Enhanced 911 Account--State Appropriation $44,508,000
Disaster Response Account--State Appropriation $28,350,000
Disaster Response Account--Federal Appropriation $114,496,000
Military Department Rent and Lease Account--State
Appropriation $612,000
Military Department Active State Service Account--Federal
Appropriation $592,000
Worker and Community Right-to-Know Account--State
Appropriation $341,000
Nisqually Earthquake Account--State Appropriation $307,000
Nisqually Earthquake Account--Federal Appropriation $1,067,000
TOTAL APPROPRIATION . . . . . ((~~$377,096,000~~))
$376,120,000

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

(1) $28,326,000 of the disaster response account--state appropriation and $114,496,000 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 to the office of financial management and the legislative fiscal committees on October 1st and February 1st of each year 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) $307,000 of the Nisqually earthquake account--state appropriation and $1,067,000 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 to the office of financial management and the legislative fiscal committees on October 1st and February 1st of each year 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; and

(b) The department shall submit an annual 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; and incremental changes from the previous estimate.

(4) $500,000 of the general fund--state appropriation for fiscal year 2010 is 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 may not use any of the funds for administrative purposes.

Sec. 125. 2010 1st sp.s. c 37 s 150 (uncodified) is amended to read as follows:

FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

General Fund--State Appropriation (FY 2010) $2,667,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$2,635,000~~))
<u>$2,345,000</u>

Higher Education Personnel Services Account--State
Appropriation $250,000

Department of Personnel Service Account--State
Appropriation $3,263,000

TOTAL APPROPRIATION . . . . . ((~~$8,815,000~~))
<u>$8,525,000</u>

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

Sec. 126. 2010 1st sp.s. c 37 s 151 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION

General Fund--State Appropriation (FY 2010) $1,371,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,382,000~~))
$1,230,000
General Fund--Federal Appropriation $2,293,000
General Fund--Private/Local Appropriation $14,000
TOTAL APPROPRIATION . . . . . ((~~$5,060,000~~))
$4,908,000

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

Sec. 127. 2010 2nd sp.s. c 1 s 118 (uncodified) is amended to read as follows:

FOR THE GROWTH MANAGEMENT HEARINGS BOARD

General Fund--State Appropriation (FY 2010) $1,642,000
General Fund--State Appropriation (FY 2011) $1,334,000
TOTAL APPROPRIATION $2,976,000

The appropriations in this section are subject to the following conditions and limitations: ((~~$13,000~~)) $12,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for Substitute House Bill No. 2935 (hearings boards/environment and land use). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

Sec. 128. 2010 1st sp.s. c 37 s 153 (uncodified) is amended to read as follows:

FOR THE STATE CONVENTION AND TRADE CENTER

State Convention and Trade Center Account--State Appropriation . . . . . ((~~$60,127,000~~)) $35,127,000

State Convention and Trade Center Operating Account--State Appropriation . . . . . ((~~$56,694,000~~)) $31,694,000

TOTAL APPROPRIATION . . . . . ((~~$116,821,000~~)) $66,821,000

NEW SECTION. **Sec. 129.** A new section is added to 2009 c 564 (uncodified) to read as follows:

In accordance with RCW 43.135.055, the utilities and transportation commission is authorized to increase the fees set forth in and previously authorized in section 147, chapter 37, Laws of 2010 1st sp.s.

NEW SECTION. **Sec. 130.** A new section is added to 2009 c 564 (uncodified) to read as follows:

In accordance with RCW 43.135.055, the office of financial management is authorized to adopt and increase the fees set forth in and previously authorized in section 13, chapter 314, Laws of 2009.

(End of part)

PART II
HUMAN SERVICES

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

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

General Fund--State Appropriation (FY 2010) $315,002,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$293,707,000~~))
$287,326,000
General Fund--Federal Appropriation . . . . . .((~~$497,964,000~~))
$494,007,000
General Fund--Private/Local Appropriation $3,320,000
Home Security Fund--State Appropriation . . . . . .((~~$9,983,000~~))
$8,564,000
Domestic Violence Prevention Account--State
Appropriation $1,154,000
Education Legacy Trust Account--State Appropriation $725,000
TOTAL APPROPRIATION . . . . . .((~~$1,121,855,000~~))
$1,110,098,000

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

(1) $937,000 of the general fund--state appropriation for fiscal year 2010 and $696,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to contract for the operation of one pediatric interim care facility. The facility shall provide residential care for up to thirteen children through two years of age. Seventy-five percent of the children served by the facility must be in need of special care as a result of substance abuse by their mothers. The facility shall also provide on-site training to biological, adoptive, or foster parents. The facility shall provide at least three months of consultation and support to parents accepting placement of children from the facility. The facility may recruit new and current foster and adoptive parents for infants served by the facility. The department shall not require case management as a condition of the contract.

(2) $369,000 of the general fund--state appropriation for fiscal year 2010, ((~~$366,000~~)) $343,000 of the general fund--state appropriation for fiscal year 2011, and ((~~$316,000~~)) $306,000 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.

(3) $2,500,000 of the general fund--state appropriation for fiscal year 2010 and $88,000 of the general fund--state appropriation for fiscal year 2011, and $2,256,000 of the home security fund--state appropriation 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.

(4) A maximum of ((~~$73,209,000~~)) $69,190,000 of the general fund--state appropriations and ((~~$54,596,000~~)) $54,443,000 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 safely keep youth with emotional, behavioral, or medical needs at home, with relatives, or with other permanent placement resources and decrease the length of service 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 serve 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 serve 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 at home with relatives, or other permanent resources, 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.

(5) 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.

(6) ((~~$14,187,000~~)) $13,387,000 of the general fund--state appropriation for fiscal year 2011 and $6,231,000 of the general fund--federal appropriation are provided solely for the department to provide contracted prevention and early intervention services. The legislature recognizes the need for flexibility as the department transitions to performance-based contracts. The following services are included in the prevention and early intervention block grant: Crisis family intervention services, family preservation services, intensive family preservation services, evidence-based programs, public health nurses,

and early family support services. The legislature intends for the department to maintain and build on existing evidence-based and research-based programs with the goal of utilizing contracted prevention and intervention services to keep children safe at home and to safely reunify families. 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 and shall provide the legislature and governor a report regarding the allocation of resources in this subsection by September 30, 2010. The department shall expend federal funds under this subsection in compliance with federal regulations.

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

(8) $125,000 of the general fund--state appropriation for fiscal year 2010 and $118,000 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. $95,000 of this amount is for Casey family partners and $23,000 of this amount is for volunteers of America crosswalk in fiscal year 2011.

(9) $1,904,000 of the general fund--state appropriation for fiscal year 2010, ((~~$1,717,000~~)) $1,441,000 of the general fund--state appropriation for fiscal year 2011, and $335,000 of the general fund--federal appropriation are provided solely to contract with medical professionals for comprehensive safety assessments of high-risk families and for foster care assessments. The safety assessments will use validated assessment tools to guide intervention decisions through the identification of additional safety and risk factors. The department will maintain the availability of comprehensive foster care assessments and follow up services for children in out-of-home care who do not have permanent plans, comprehensive safety assessments for families receiving in-home child protective services or family

voluntary services, and comprehensive safety assessments for 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. The department must consolidate contracts, streamline administration, and explore efficiencies to achieve savings.

(10) $7,679,000 of the general fund--state appropriation for fiscal year 2010, $6,226,000 of the general fund--state appropriation for fiscal year 2011, and $4,658,000 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 and revise the supervised visit reimbursement procedures to stay within appropriations without impeding reunification outcomes between parents and dependent children. The department shall report to the legislative fiscal committees on September 30, 2010, and December 30, 2010, the number of children in foster care who receive supervised visits, their frequency, length of time of each visit, and whether reunification is attained.

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

(12) $1,522,000 of the general fund--state appropriation for fiscal year 2010, $1,256,000 of the general fund--state appropriation for fiscal year 2011, and $1,372,000 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.

(13) $493,000 of the general fund--state appropriation for fiscal year 2010, ((~~$284,000~~)) $102,000 of the general fund--state appropriation for fiscal year 2011, $466,000 of the general fund--private/local appropriation, $182,000 of the general fund--federal appropriation, and $725,000 of the education legacy trust account--state appropriation are 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. The department shall utilize private matching funds to maintain educational advocacy services.

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

(15) ((~~$5,193,000~~)) $4,234,000 of the home security fund account--state appropriation is provided solely for the crisis residential centers.

(16) 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.

(17) 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.

(18) ((~~$157,000 of the general fund--state appropriation for fiscal year 2010 and $148,000 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.~~

~~(19)~~)) $303,000 of the general fund--state appropriation for fiscal year 2010, $392,000 of the general fund--state appropriation for fiscal year 2011, and $241,000 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.

((~~(20) $98,000 of the general fund--state appropriation for fiscal year 2010 and $92,000 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.~~

~~(21)~~)) (19) 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.

((~~(22)~~)) (20) $715,000 of the general fund--state appropriation for fiscal year 2010 and $671,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for services provided through children's advocacy centers.

((~~(23)~~)) (21) $10,000 of the general fund--state appropriation for fiscal year 2011 and $3,000 of the general fund--federal appropriation

are provided solely for implementation of chapter 224, Laws of 2010 (confinement alternatives). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

((~~(24)~~)) (22) $1,867,000 of the general fund--state appropriation for fiscal year 2010, $1,677,000 of the general fund--state appropriation for fiscal year 2011, and $4,379,000 of the general fund--federal appropriation are provided solely for the department to contract for medicaid treatment child care (MTCC) services. Children's administration case workers, local public health nurses and case workers from the temporary assistance for needy families program shall refer children to MTCC services, as long as the children meet the eligibility requirements as outlined in the Washington state plan for the MTCC services.

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

((~~(26)~~)) (24) To ensure expenditures remain within available funds appropriated in this section as required by RCW 74.13A.005 and 74.13A.020, the secretary shall not set the amount of any adoption assistance payment or payments, made pursuant to RCW 26.33.320 and 74.13A.005 through 74.13A.080, to more than ninety percent of the foster care maintenance payment for that child had he or she remained in a foster family home during the same period. This subsection does

not apply to adoption assistance agreements in existence on the effective date of this section.

((~~(27)~~)) (25) Receipts from fees per chapter 289, Laws of 2010, as deposited into the prostitution prevention and intervention account for services provided to sexually exploited children as defined in RCW 13.32A.030 in secure and semi-secure crisis residential centers with access to staff trained to meet their specific needs shall be used to expand capacity for secure crisis residential centers and not supplant existing funding.

((~~(28)~~)) (26) The appropriations in this section reflect reductions to the foster care maintenance payment rates during fiscal year 2011.

Sec. 202. 2010 2nd sp.s. c 1 s 202 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) $103,437,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$96,167,000~~))
$90,552,000
General Fund--Federal Appropriation $1,715,000
General Fund--Private/Local Appropriation $1,899,000
Washington Auto Theft Prevention Authority Account--
State Appropriation $3,896,000
Juvenile Accountability Incentive Account--Federal
Appropriation $2,805,000
State Efficiency and Restructuring Account--State
Appropriation $4,958,000
TOTAL APPROPRIATION . . . . . ((~~$214,877,000~~))
$209,262,000

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~~)) $331,000 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) $3,408,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$2,898,000~~)) $2,716,000 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~~)) $3,482,000 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) $1,427,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$1,206,000~~)) $1,130,000 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~~)) $2,873,000 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, 2011, 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 mental health disposition alternative, and the sentencing disposition alternative for the purpose of serving youth adjudicated in the juvenile justice system. In making the block grant, the juvenile rehabilitation administration shall follow the following formula and will prioritize evidence-based programs and disposition alternatives and take into account juvenile courts program-eligible youth in conjunction with the number of youth served in each approved evidence-based program or disposition alternative: (i) Thirty-seven and one-half percent for the at-risk population of youth ten to seventeen years old; (ii) fifteen percent for moderate and high-risk youth; (iii) twenty-five percent for evidence-based program participation; (iv) seventeen and one-half percent for minority populations; (v) three percent for the chemical dependency disposition alternative; and (vi) two percent for the mental health and sentencing dispositional alternatives. Funding for the

special sex offender disposition alternative (SSODA) shall not be included in the block grant, but allocated on the average daily population in juvenile courts. Funding for the evidence-based expansion grants shall be excluded from the block grant formula. Funds may be used for promising practices when approved by the juvenile rehabilitation administration and juvenile courts, through the community juvenile accountability act committee, based on the criteria established in consultation with Washington state institute for public policy and the juvenile courts.

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

(c) The juvenile rehabilitation administration and the juvenile courts shall establish a block grant funding formula oversight committee with equal representation from the juvenile rehabilitation administration and the juvenile courts. The purpose of this committee is to assess the ongoing implementation of the block grant funding formula, utilizing data-driven decision making and the most current available information. The committee will be cochaired by the juvenile rehabilitation administration and the juvenile courts, who will also have the ability to change members of the committee as needed to achieve its purpose. Initial members will include one juvenile court representative from the finance committee, the community juvenile accountability act committee, the risk assessment quality assurance committee, the executive board of the Washington association of juvenile court administrators, the Washington state center for court research, and a representative of the superior court judges association; two representatives from the juvenile rehabilitation administration headquarters program oversight staff, two representatives of the juvenile rehabilitation administration regional office staff, one representative of the juvenile rehabilitation administration fiscal staff and a juvenile rehabilitation

administration division director. The committee may make changes to the formula categories other than the evidence-based program and disposition alternative categories if it is determined the changes will increase statewide service delivery or effectiveness of evidence-based program or disposition alternative resulting in increased cost benefit savings to the state. Long-term cost benefit must be considered. Percentage changes may occur in the evidence-based program or disposition alternative categories of the formula should it be determined the changes will increase evidence-based program or disposition alternative delivery and increase the cost benefit to the state. These outcomes will also be considered in determining when evidence-based expansion or special sex offender disposition alternative funds should be included in the block grant or left separate.

(d) The juvenile courts and administrative office of the courts shall be responsible 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. The juvenile rehabilitation administration and the juvenile courts will work collaboratively to develop program outcomes that reinforce the greatest cost benefit to the state in the implementation of evidence-based practices and disposition alternatives.

(e) By December 1, 2010, the Washington state institute for public policy shall report to the office of financial management and appropriate committees of 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.

(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.

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

Sec. 203. 2010 2nd sp.s. c 1 s 203 (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) $273,648,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$278,530,000~~)) <u>$264,561,000</u>

General Fund--Federal Appropriation $519,456,000

General Fund--Private/Local Appropriation . . . . . ((~~$16,674,000~~)) <u>$16,951,000</u>

Hospital Safety Net Assessment Fund--State Appropriation $3,476,000

TOTAL APPROPRIATION . . . . . ((~~$1,091,784,000~~)) <u>$1,078,092,000</u>

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~~)) <u>$101,089,000</u> 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) $10,400,000 of the general fund--state appropriation for fiscal year 2010, ((~~$9,100,000~~)) $8,814,000 of the general fund--state appropriation for fiscal year 2011, and $1,300,000 of the general fund--federal appropriation are provided solely for the department and regional support networks to contract for implementation of high-intensity program for active community treatment (PACT) teams. The department shall work with regional support networks and the center for medicare and medicaid services to integrate eligible components of the PACT service delivery model into medicaid capitation rates no later than January 2011, while maintaining consistency with all essential elements of the PACT evidence-based practice model.

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

(d) 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 through the second quarter of fiscal year 2011, and 557 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.

(e) 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.

(f) $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.

(g) 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.

(h) $750,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$750,000~~)) $703,000 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.

(i) $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.

(j) 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.

(k) 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.

(l) 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.

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

(n) $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.

(o) 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.

(p) Regional support networks may use local funds to earn additional federal medicaid match, provided the locally matched rate does not exceed the upper-bound of their federally allowable rate range, and provided that the enhanced funding is used only to provide medicaid state plan or waiver services to medicaid clients. Additionally, regional support networks may use a portion of the state funds allocated in accordance with (a) of this subsection to earn

additional medicaid match, but only to the extent that the application of such funds to medicaid services does not diminish the level of crisis and commitment, community inpatient, residential care, and outpatient services presently available to persons not eligible for medicaid.

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2010) $119,423,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$118,010,000~~)) $112,514,000

General Fund--Federal Appropriation . . . . . .((~~$153,425,000~~)) $152,195,000

General Fund--Private/Local Appropriation . . . . . ((~~$64,614,000~~)) $63,873,000

TOTAL APPROPRIATION . . . . . .((~~$455,472,000~~)) $448,005,000

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~~)) $216,000 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~~)) $42,000 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.

(d) ((~~$200,000~~)) $187,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for support of the psychiatric security review panel established pursuant to Senate Bill No. 6610. If

Senate Bill No. 6610 is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(3) SPECIAL PROJECTS

General Fund--State Appropriation (FY 2010) $1,819,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$2,092,000~~)) $1,961,000

General Fund--Federal Appropriation $2,142,000

TOTAL APPROPRIATION . . . . . ((~~$6,053,000~~)) $5,922,000

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

(a) $1,511,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$1,511,000~~)) $1,416,000 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.

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

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

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

(e) ((~~$60,000~~)) $56,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of sections 2 and 3, chapter 280, Laws of 2010. The department shall use these funds to contract with the Washington state institute for public policy for completion of an assessment of (i) the extent to which the number of persons involuntarily committed for 3, 14, and 90 days is likely to increase as a result of the revised commitment standards; (ii) the availability of community treatment capacity to accommodate that

increase; (iii) strategies for cost-effectively leveraging state, local, and private resources to increase community involuntary treatment capacity; and (iv) the extent to which increases in involuntary commitments are likely to be offset by reduced utilization of correctional facilities, publicly-funded medical care, and state psychiatric hospitalizations.

(4) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2010) $4,078,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$3,958,000~~))
$3,722,000
General Fund--Federal Appropriation $7,207,000
TOTAL APPROPRIATION . . . . . ((~~$15,243,000~~))
$15,007,000

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. 2010 2nd sp.s. c 1 s 204 (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) $307,348,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$337,658,000~~))
$321,570,000
General Fund--Federal Appropriation . . . . . ((~~$902,043,000~~))
$890,035,000
TOTAL APPROPRIATION . . . . . ((~~$1,547,049,000~~))
$1,518,953,000

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)(i) 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.

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

(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) $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.

(e)(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.

(f) 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.

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

(h) 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).

(i) 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.

(j) 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.

(k) 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.

(l) $116,000 of the general fund--state appropriation for fiscal year 2010, ((~~$2,689,000~~)) $2,133,000 of the general fund--state appropriation for fiscal year 2011, and $1,772,000 of the general fund--federal appropriation are provided solely for employment services and required waiver services. Priority consideration for this new funding shall be young adults with developmental disabilities living with their family who need employment opportunities and assistance after high school graduation. Services shall be provided for both waiver and nonwaiver clients. ((~~Fifty percent of the general fund appropriation shall be utilized for graduates served on a home and community-based services waiver and fifty percent of the general fund appropriation shall be used for nonwaiver clients.~~))

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

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

(o) $75,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the restoration of direct support to local organizations that utilize parent-to-parent networks and communication to promote access and quality of care for individuals with developmental disabilities and their families.

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2010) $61,422,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$64,404,000~~))
$62,551,000
General Fund--Federal Appropriation . . . . . ((~~$207,986,000~~))
$205,440,000
General Fund--Private/Local Appropriation . . . . . ((~~$22,441,000~~))
$22,357,000
TOTAL APPROPRIATION . . . . . ((~~$356,253,000~~))
$351,770,000

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) $1,407,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,369,000~~))
<u>$1,341,000</u>

General Fund--Federal Appropriation . . . . . ((~~$1,301,000~~))
<u>$1,263,000</u>

TOTAL APPROPRIATION . . . . . ((~~$4,077,000~~))
<u>$4,011,000</u>

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--Federal Appropriation . . . . . ((~~$9,631,000~~))
<u>$10,171,000</u>

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 <u>and the money follows the person program as defined by this federal grant</u>.

Sec. 205. 2010 2nd sp.s. c 1 s 205 (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) $616,837,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$639,163,000~~)) $607,918,000

General Fund--Federal Appropriation . . . . . .((~~$1,954,300,000~~)) $1,918,150,000

General Fund--Private/Local Appropriation $18,013,000

Traumatic Brain Injury Account--State Appropriation $4,136,000

TOTAL APPROPRIATION . . . . . .((~~$3,232,449,000~~)) $3,165,054,000

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 $169.85 for fiscal year 2010 and shall not exceed ((~~$166.24~~)) $161.86 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) After examining actual nursing facility cost information, the legislature finds that the medicaid nursing facility rates calculated pursuant to Substitute House Bill No. 3202 or Substitute Senate Bill No. 6872 (nursing facility medicaid payments) provide sufficient reimbursement to efficient and economically operating nursing facilities and bears a reasonable relationship to costs.

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

year 2011 and shall grant no rate add-ons to payment rates for capital improvements not requiring a certificate of need and a certificate of capital authorization for fiscal year 2011.

(4) 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.

(5) 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.

(6)(a) 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.

(b) $3,070,000 of the general fund--state appropriation for fiscal year 2011 and $4,980,000 of the general fund--federal appropriation are provided solely for the department to partially restore the reduction

to in-home care that are taken in (a) of this subsection. The department will use the same formula to restore personal care hours that it used to reduce personal care hours.

(7) $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.

(8)(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.

(9) 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.

(10) 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.

(11) $3,955,000 of the general fund--state appropriation for fiscal year 2010, ((~~$4,239,000~~)) $3,972,000 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~~)) $1,759,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for operation of the volunteer services program. Funding shall be prioritized towards

serving populations traditionally served by long-term care services to include senior citizens and persons with disabilities.

(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) $209,000 of the general fund--state appropriation for fiscal year 2010, ((~~$781,000~~)) <u>$732,000</u> of the general fund--state appropriation for fiscal year 2011, and $1,293,000 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) In accordance with RCW 18.51.050, 18.20.050, and 43.135.055, the department is authorized to increase nursing facility and boarding home fees in fiscal year 2011 as necessary to meet the actual costs of conducting the licensure, inspection, and regulatory programs.

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

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

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

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

(22) For calendar year 2009, the department shall calculate split settlements covering two periods January 1, 2009, through June 30,

2009, and July 1, 2009, through December 31, 2009. For the second period beginning July 1, 2009, the department may partially or totally waive settlements only in specific cases where a nursing home can demonstrate significant decreases in costs from the first period.

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

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

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

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

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

(b) The relevance of existing research to Washington state;

(c) A summary and review of suggestions for pay-for-performance strategies provided by nursing home stakeholders in Washington state; and

(d) An evaluation of the effectiveness of a variety of performance measures.

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

(28) In accordance with RCW 43.135.055, the department is authorized to adopt and increase the fees set forth in and previously authorized in section 206(19), chapter 37, Laws of 2010 1st sp.s.

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

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

General Fund--State Appropriation (FY 2010) $564,242,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$565,617,000~~))
$531,935,000

General Fund--Federal Appropriation . . . . . .((~~$1,220,752,000~~))
$1,219,423,000

General Fund--Private/Local Appropriation . . . . . ((~~$31,816,000~~))
$37,816,000

Administrative Contingency Account--State
Appropriation $24,336,000

TOTAL APPROPRIATION . . . . . .((~~$2,406,763,000~~))
$2,377,752,000

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

(1) $303,393,000 of the general fund--state appropriation for fiscal year 2010, $285,057,000 of the general fund--state appropriation for fiscal year 2011, $24,336,000 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.

(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) $16,783,000 of the general fund--state appropriation for fiscal year 2011 and $62,000,000 of the general fund--federal appropriation

are provided solely for all components of the WorkFirst program in order to maintain services to January 2011. The legislature intends to work with the governor to design and implement fiscal and programmatic modifications to provide for the sustainability of the program. The funding in this subsection assumes that no other expenditure reductions will be made prior to January 2011 other than those assumed in the appropriation levels in this act.

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

~~(a) The department and the caseload forecast council shall, by September 21, 2010, submit a report to the legislature based upon the most recent caseload forecast and actual expenditure data available, as to whether expenditures for the lifeline-unemployable grants in fiscal year 2011 will exceed $69,648,000 for fiscal year 2011 in the 2010 supplemental operating budget by three percent or more. If expenditures will exceed the appropriated amount for lifeline-unemployable grants by three percent or more, the department may adopt~~

~~regulations modifying incapacity determination and progressive evaluation process regulations after September 30, 2010.~~

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

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

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

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

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

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

~~(c) Within these amounts:~~

~~(i) The department shall aggressively pursue opportunities to transfer lifeline 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;~~

~~(ii) The department shall review the lifeline 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;~~

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

~~(iv) 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~~

~~(v) In addition to any earlier evaluation that may have been conducted, the department shall intensively evaluate those clients who have been receiving lifeline 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.~~

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

~~(5)~~)) $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~~)) <u>is</u> provided solely for naturalization services.

((~~(6)(a)~~)) <u>(5)</u> $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~~)) <u>$2,050,000</u> of

the general fund--state appropriation for fiscal year 2011 is provided solely for refugee employment services, of which ((~~$2,650,000~~)) $1,540,000 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.

((~~(8)~~)) (7) $855,000 of the general fund--state appropriation for fiscal year 2011, $719,000 of the general fund--federal appropriation, and $2,907,000 of the general fund--private/local appropriation are provided solely for the implementation of the opportunity portal, the food stamp employment and training program, and the disability lifeline program under Second Substitute House Bill No. 2782 (security lifeline act). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

((~~(9) $200,000~~)) (8) $100,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the department to award grants to small mutual assistance or small community-based organizations that contract with the department for immigrant and refugee assistance services. The funds shall be awarded to provide funding for community groups to provide transitional assistance, language skills, and other resources to improve refugees' economic self-sufficiency through the effective use of social services, financial services, and medical assistance.

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

Sec. 207. 2010 2nd sp.s. c 1 s 207 (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) $81,982,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$82,379,000~~)) $77,065,000

General Fund--Federal Appropriation . . . . . ((~~$148,018,000~~)) $151,574,000

General Fund--Private/Local Appropriation $2,718,000

Criminal Justice Treatment Account--State Appropriation $17,743,000

Problem Gambling Account--State Appropriation $1,456,000

TOTAL APPROPRIATION . . . . . ((~~$334,296,000~~)) $332,538,000

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.

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

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

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

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

General Fund--State Appropriation (FY 2010) $1,697,203,000
General Fund--State Appropriation (FY 2011) . . . . ((~~$1,752,373,000~~))
$1,740,445,000
General Fund--Federal Appropriation . . . . . .((~~$6,047,652,000~~))
$6,042,756,000
General Fund--Private/Local Appropriation . . . . . ((~~$37,249,000~~))
$38,509,000
Emergency Medical Services and Trauma Care Systems
Trust Account--State Appropriation $15,075,000
Tobacco Prevention and Control Account--
State Appropriation $4,464,000
Hospital Safety Net Assessment Fund--State
Appropriation $260,036,000
TOTAL APPROPRIATION . . . . . .((~~$9,814,052,000~~))
$9,798,488,000

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~~)) $649,000 of the general fund--federal appropriation and ((~~$1,105,000~~)) $644,000 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~~)) $5,729,000 of the general fund--state appropriation for fiscal year 2011, and ((~~$9,865,000~~)) $5,776,000 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 based on the reimbursement rates developed, implemented, and consistent with policies approved in the 2009-11 biennial operating appropriations act (chapter 564, Laws of 2009) and in effect on July 1, 2009, (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. $20,403,000 of the general fund--state appropriation for fiscal year 2010, of which $6,570,000 is appropriated in section 204(1) of this act, and $29,480,000 of the general fund--state appropriation for fiscal year 2011, of which $6,570,000 is appropriated in section 204(1) of this act, are provided solely for state grants for the participating hospitals. CPE hospitals will receive the inpatient and outpatient reimbursement rate restorations in section 9 and rate increases in section 10(1)(b) of Engrossed Second Substitute House Bill No. 2956 (hospital safety net assessment) funded through the hospital safety net assessment fund rather than through the baseline mechanism specified in this subsection.

(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.

(10) $93,000 of the general fund--state appropriation for fiscal year 2010 and $93,000 of the general fund--federal appropriation are provided solely for the department to pursue a federal Medicaid waiver pursuant to Second Substitute Senate Bill No. 5945 (Washington health

partnership plan). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(11) The department shall require managed health care 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.

(12) A maximum of $241,141,000 in total funds from the general fund--state, general fund--federal, and tobacco and prevention control account--state appropriations may be expended in the fiscal biennium for the medical program pursuant to chapter 8, Laws of 2010 1st sp. sess. (security lifeline act), 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 lifeline benefits. Pursuant to RCW 74.09.035, the department shall not expend for the lifeline medical care services program any amounts in excess of the amounts provided in this subsection.

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

(14) The department shall evaluate the impact of the use of a managed care delivery and financing system on state costs and outcomes

for lifeline medical clients. Outcomes measured shall include state costs, utilization, changes in mental health status and symptoms, and involvement in the criminal justice system.

(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.

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

(17) $24,356,000 of the general fund--private/local appropriation and $35,707,000 of the general fund--federal appropriation are provided solely for the implementation of professional services supplemental payment programs. 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.

(18) $9,075,000 of the general fund--state appropriation for fiscal year 2010, $8,588,000 of the general fund--state appropriation for

fiscal year 2011, and $39,747,000 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.

(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.

(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.

(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.

(22) $425,000 of the general fund--state appropriation for fiscal year 2010 and $790,000 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.

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

(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.

(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.

(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.

(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.

(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. <u>The department shall prioritize evidence-based practices for delivery of maternity support services. To the extent practicable, the department shall develop a mechanism to increase federal funding for maternity support services by leveraging local public funding for those services.</u>

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

(30) $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).

(31) $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.

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

(33) 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 <u>until December 31, 2010</u>.

(34) 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 providers, direct client services, or direct service delivery or programs.

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

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

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

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

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

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

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

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

(42) Every effort shall be made to maintain current employment levels and achieve administrative savings through vacancies and employee attrition. Efficiencies shall be implemented as soon as possible in order to minimize actual reduction in force. The department shall implement a management strategy that minimizes disruption of service and negative impacts on employees.

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

(44) $5,000,000 of the general fund--state appropriation for fiscal year 2011 and $7,191,000 of the general fund--federal appropriation are provided solely for payments to federally qualified health clinics and rural health centers under a new alternative payment methodology that the department shall develop in consultation with the legislature and the office of financial management.

(45) $1,695,000 of the general fund--state appropriation for fiscal year 2011 and $3,131,000 of the general fund--federal appropriation are provided solely to continue the current system for provision of essential foreign language medical interpreter services during the last four months of fiscal year 2011 and to develop a permanent, more cost-effective alternative to the current service delivery system. Within the amounts provided in this subsection, the department shall complete design and implementation no later than September 2011 of a new model for delivery of medical interpreter services. Under the new model, which shall include use of state-of-the-art electronic scheduling and time-tracking systems, the department shall either contract directly with individual language access providers certified by the state or shall contract with a statewide scheduling and coordinating entity that shall contract directly with individual language access providers certified by the state.

(46) $33,000 of the general fund--state appropriation for fiscal year 2011 and $61,000 of the general fund--federal appropriation are provided solely to continue operation by a nonprofit organization of a toll-free line that assists families to learn about and enroll in apple health for kids, which provides publicly funded medical and dental care for families with incomes below 300 percent of the federal poverty level.

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

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

General Fund--State Appropriation (FY 2010) $10,327,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$10,045,000~~))
$9,443,000
General Fund--Federal Appropriation $107,848,000
Telecommunications Devices for the Hearing and
Speech Impaired--State Appropriation . . . . . ((~~$5,976,000~~))
$6,056,000
TOTAL APPROPRIATION . . . . . ((~~$134,196,000~~))
$133,674,000

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

(1) The vocational rehabilitation program shall coordinate closely with the economic services program to serve lifeline clients under chapter 8, Laws of 2010 1st sp. sess. 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.

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

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

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

General Fund--State Appropriation (FY 2010) $48,827,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$47,051,000~~))
$48,536,000
TOTAL APPROPRIATION . . . . . ((~~$95,878,000~~))
$97,363,000

Sec. 211. 2010 2nd sp.s. c 1 s 211 (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) $33,579,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$29,166,000~~)) $27,745,000
General Fund--Federal Appropriation . . . . . ((~~$50,981,000~~)) $51,304,000
General Fund--Private/Local Appropriation $1,121,000
Institutional Impact Account--State Appropriation $22,000
TOTAL APPROPRIATION . . . . . .((~~$114,869,000~~)) $113,771,000

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) $333,000 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 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. 2010 1st sp.s. c 37 s 213 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) $61,985,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$61,461,000~~))
$63,793,000
General Fund--Federal Appropriation . . . . . ((~~$56,572,000~~))
$56,855,000
TOTAL APPROPRIATION . . . . . ((~~$180,018,000~~))
$182,633,000

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

FOR THE STATE HEALTH CARE AUTHORITY

General Fund--State Appropriation (FY 2010) $208,258,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$129,087,000~~))
$108,327,000
Basic Health Plan Stabilization Account--State
Appropriation $6,000,000
General Fund--Federal Appropriation . . . . . ((~~$34,727,000~~))
$24,518,000
State Health Care Authority Administration Account--
State Appropriation $34,880,000
Medical Aid Account--State Appropriation $527,000
TOTAL APPROPRIATION . . . . . ((~~$407,479,000~~))
$382,510,000

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

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

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

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

(4)(a) In order to maximize the funding appropriated for the basic health plan, the health care authority is directed to make modifications that will reduce the total number of subsidized enrollees to approximately 65,000 by January 1, 2010. In addition to the reduced enrollment, other modifications may include changes in enrollee premium

obligations, changes in benefits, enrollee cost-sharing, and termination of the enrollment of individuals concurrently enrolled in a medical assistance program as provided in Substitute House Bill No. 2341.

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

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

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

(6) The authority 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.

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

<u>(8) In accordance with RCW 70.47.020(6) and 70.47.020(8), the director shall terminate enrollment effective March 1, 2011, of any adult enrollee aged 64 years or younger who has not by that date provided a valid social security number or other documentation acceptable to the director that the enrollee is legally residing in the United States.</u>

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

FOR THE HUMAN RIGHTS COMMISSION

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

General Fund--State Appropriation (FY 2011) . . . . . ((~~$2,511,000~~))
$2,353,000

General Fund--Federal Appropriation $1,584,000

TOTAL APPROPRIATION . . . . . ((~~$6,733,000~~))
$6,575,000

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

FOR THE CRIMINAL JUSTICE TRAINING COMMISSION

General Fund--State Appropriation (FY 2010) $17,273,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$17,843,000~~))
$10,721,000

General Fund--Federal Appropriation $143,000

General Fund--Private/Local Appropriation . . . . . ((~~$1,303,000~~))
$1,378,000

Death Investigations Account--State Appropriation $148,000

Municipal Criminal Justice Assistance Account--
State Appropriation $460,000

Washington Auto Theft Prevention Authority Account--
State Appropriation . . . . . ((~~$5,844,000~~))
$11,844,000

TOTAL APPROPRIATION . . . . . ((~~$43,014,000~~))
$41,967,000

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

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

(2) $5,000,000 of the general fund--state appropriation for fiscal year 2010 and $5,000,000 of the general fund--state appropriation for fiscal year 2011, are provided to the Washington association of sheriffs and police chiefs solely to verify the address and residency

of registered sex offenders and kidnapping offenders under RCW 9A.44.130. The Washington association of sheriffs and police chiefs shall:

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

(i) For level I offenders, every twelve months;

(ii) For level II offenders, every six months; and

(iii) For level III offenders, every three months.

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

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

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

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

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

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

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

((~~(6) $1,500,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for continuing the enforcement of illegal drug laws in the rural pilot project enforcement areas as set forth in chapter 339, Laws of 2006.~~))

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

FOR THE DEPARTMENT OF LABOR AND INDUSTRIES

General Fund--State Appropriation (FY 2010) $24,975,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$19,336,000~~))
$18,120,000
General Fund--Federal Appropriation . . . . . ((~~$10,100,000~~))
$11,316,000
Asbestos Account--State Appropriation $923,000
Electrical License Account--State Appropriation $36,977,000
Farm Labor Revolving Account--Private/Local Appropriation . . . $28,000
Worker and Community Right-to-Know Account--
State Appropriation $1,987,000
Public Works Administration Account--State
Appropriation $6,021,000
Manufactured Home Installation Training Account--
State Appropriation $143,000
Accident Account--State Appropriation $250,509,000
Accident Account--Federal Appropriation $13,621,000
Medical Aid Account--State Appropriation $249,232,000
Medical Aid Account--Federal Appropriation $3,186,000
Plumbing Certificate Account--State Appropriation $1,704,000
Pressure Systems Safety Account--State Appropriation $4,144,000
TOTAL APPROPRIATION $622,886,000

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 related to factory assembled structures, contractor registration, electricians, plumbers, asbestos removal, boilers, elevators, and manufactured home installers. These increases are

necessary to support expenditures authorized in this section, consistent with chapters 43.22, 18.27, 19.28, and 18.106 RCW, RCW 49.26.130, and chapters 70.79, 70.87, and 43.22A RCW.

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

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

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

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

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

(7) $500,000 of the accident account--state appropriation is provided solely for the department to contract with one or more independent experts to oversee and assist the department's

implementation of improvements to the rating plan under chapter 51.18 RCW, in collaboration with the department and with the department's work group of retrospective rating and workers' compensation stakeholders. The independent experts will validate the impact of recommended changes on retrospective rating participants and nonparticipants, confirm implementation technology changes, and provide other implementation assistance as determined by the department.

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

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

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

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

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

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

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

(15) $16,000 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 the crime victims compensation program to pay claims for mental health services for crime victim compensation program clients who have an established relationship with a mental health provider and subsequently obtain coverage under the medicaid program or the medical care services program under chapter 74.09 RCW. Prior to making such payment, the program must have determined that payment for the specific treatment or provider is not available under the medicaid or medical care services program. In addition, the program shall make efforts to contact any healthy options or medical care services health plan in which the client may be enrolled to help the client obtain authorization to pay the claim on an out-of-network basis.

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

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

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

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

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

FOR THE INDETERMINATE SENTENCE REVIEW BOARD

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

((~~General Fund--State Appropriation (FY 2011) . . . . . $1,864,000~~

~~TOTAL APPROPRIATION . . . . . $3,746,000~~))

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

FOR THE DEPARTMENT OF VETERANS AFFAIRS

(1) HEADQUARTERS

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

General Fund--State Appropriation (FY 2011) $1,865,000

Charitable, Educational, Penal, and Reformatory

Institutions Account--State Appropriation $10,000

TOTAL APPROPRIATION $3,788,000

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

(2) FIELD SERVICES

General Fund--State Appropriation (FY 2010) $4,885,000

General Fund--State Appropriation (FY 2011) $4,964,000

General Fund--Federal Appropriation $2,382,000

General Fund--Private/Local Appropriation $4,512,000

Veterans Innovations Program Account--State

Appropriation $897,000

Veteran Estate Management Account--Private/Local

Appropriation $1,072,000

TOTAL APPROPRIATION $18,712,000

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

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

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

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

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

(3) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2010) $3,318,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$2,371,000~~))
$1,793,000
General Fund--Federal Appropriation . . . . . ((~~$50,353,000~~))
$50,931,000
General Fund--Private/Local Appropriation $34,189,000
TOTAL APPROPRIATION $90,231,000

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

(a) 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.

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

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

FOR THE DEPARTMENT OF HEALTH

General Fund--State Appropriation (FY 2010) $98,414,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$81,735,000~~))
$72,427,000
General Fund--Federal Appropriation $564,379,000
General Fund--Private/Local Appropriation $162,237,000
Hospital Data Collection Account--State Appropriation $218,000
Health Professions Account--State Appropriation $82,850,000
Aquatic Lands Enhancement Account--State Appropriation $603,000
Emergency Medical Services and Trauma Care Systems
Trust Account--State Appropriation $13,206,000
Safe Drinking Water Account--State Appropriation $2,731,000
Drinking Water Assistance Account--Federal
Appropriation $22,862,000
Waterworks Operator Certification--State
Appropriation $1,522,000
Drinking Water Assistance Administrative Account--
State Appropriation $326,000
State Toxics Control Account--State Appropriation . . . ((~~$4,106,000~~))
$4,348,000
Medical Test Site Licensure Account--State
Appropriation $2,261,000
Youth Tobacco Prevention Account--State Appropriation . . . $1,512,000
Public Health Supplemental Account--Private/Local
Appropriation $3,804,000
Community and Economic Development Fee Account--State
Appropriation $298,000
Accident Account--State Appropriation $292,000
Medical Aid Account--State Appropriation $48,000
Tobacco Prevention and Control Account--State
Appropriation $41,196,000
Biotoxin Account--State Appropriation $1,163,000
TOTAL APPROPRIATION . . . . . .((~~$1,085,763,000~~))
$1,076,697,000

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

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

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

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

(3) 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) $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) $57,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$58,000~~)) $54,000 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. The department shall convene the midwifery advisory committee on a quarterly basis to address issues related to licensed midwifery. The appropriations in this section assume that the current application and renewal fee for midwives shall be increased by fifty dollars and all other fees for midwives be adjusted accordingly.

(6) 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, at which point state funding for the universal vaccine purchase program shall be discontinued.

(7) 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) 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) 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) 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) 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. ((~~$4,500,000~~)) $4,360,000 of the general fund--state appropriation is provided solely for the department of health-funded family planning clinic grants due to federal funding not becoming available.

(12) $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) $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) $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) $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) $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) $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) $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) $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.

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

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

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

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

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

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

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

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

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

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

(30) In accordance with RCW 43.135.055, the department is authorized to adopt and increase all fees set forth in and previously authorized in section 221(2), chapter 37, Laws of 2010 1st sp.s.

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

FOR THE DEPARTMENT OF CORRECTIONS

(1) ADMINISTRATION AND SUPPORT SERVICES

General Fund--State Appropriation (FY 2010) $55,772,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$51,929,000~~))
$54,239,000

TOTAL APPROPRIATION . . . . . ((~~$107,701,000~~))
$110,011,000

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) $458,503,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$562,483,000~~))
<u>$562,084,000</u>
General Fund--Federal Appropriation . . . . . ((~~$186,719,000~~))
<u>$186,651,000</u>
Washington Auto Theft Prevention Authority Account--
State Appropriation $5,936,000
State Efficiency and Restructuring Account--State
Appropriation $34,522,000
TOTAL APPROPRIATION . . . . . ((~~$1,248,163,000~~))
<u>$1,247,696,000</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.

(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.

(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.

(d) The Harborview medical center and the University of Washington 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.

(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.

(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.

(g) $11,863,000 of the general fund--state appropriation for fiscal year 2010, ((~~$7,467,000~~)) $7,953,000 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.

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

(3) COMMUNITY SUPERVISION

General Fund--State Appropriation (FY 2010) $150,729,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$134,744,000~~))
$134,840,000
TOTAL APPROPRIATION . . . . . ((~~$285,473,000~~))
$285,569,000

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

(d) $2,791,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$3,166,000~~)) $2,680,000 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.

(e) $418,300 of the general fund--state appropriation for fiscal year 2010 is provided solely for the purposes of settling all claims in

Hilda Solis, *Secretary of Labor*, *United States Department of Labor v. State of Washington*, *Department of Corrections*, United States District Court, Western District of Washington, Cause No. C08-cv-05362-RJB. The expenditure of this amount is contingent on the release of all claims in the case, and total settlement costs shall not exceed the amount provided in this subsection. If settlement is not fully executed by June 30, 2010, the amount provided in this subsection shall lapse.

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

(4) CORRECTIONAL INDUSTRIES

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

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) $40,728,000
General Fund--State Appropriation (FY 2011) $38,629,000
TOTAL APPROPRIATION $79,357,000

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

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

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

(6) Funding in this section may not be used to purchase radios or base station repeaters related to the movement to narrowband frequencies, or for reprogramming existing narrowband radios.

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

FOR THE DEPARTMENT OF SERVICES FOR THE BLIND

General Fund--State Appropriation (FY 2010) $2,504,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$2,390,000~~))
$2,160,000
General Fund--Federal Appropriation $18,116,000
General Fund--Private/Local Appropriation $30,000
TOTAL APPROPRIATION . . . . . ((~~$23,040,000~~))
$22,810,000

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

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

FOR THE SENTENCING GUIDELINES COMMISSION

General Fund--State Appropriation (FY 2010) $962,000
((~~General Fund--State Appropriation (FY 2011) . . . . . $948,000~~
~~TOTAL APPROPRIATION . . . . . $1,910,000~~

~~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.~~

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

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

FOR THE EMPLOYMENT SECURITY DEPARTMENT

General Fund--State Appropriation (FY 2010) $2,054,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$5,053,000~~))
<u>$4,735,000</u>

General Fund--Federal Appropriation $324,135,000

General Fund--Private/Local Appropriation $33,640,000

Unemployment Compensation Administration Account--
Federal Appropriation . . . . . ((~~$362,740,000~~))
<u>$348,000,000</u>

Administrative Contingency Account--State Appropriation . . . $345,000

Employment Service Administrative Account--State

Appropriation $37,775,000

TOTAL APPROPRIATION . . . . . ((~~$765,742,000~~))

$750,684,000

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

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

(2) ((~~$32,067,000~~)) $17,327,000 of the unemployment compensation administration account--federal appropriation is provided from amounts made available to the state by section 903(d) and (f) of the social security act (Reed act). This amount is authorized to fund the replacement of the unemployment insurance tax information system (TAXIS) for the employment security department. This section is subject to section 902 of this act. After the effective date of this section, the employment security department may not incur further obligations for the replacement of the unemployment insurance tax information system (TAXIS). Nothing in this act prohibits the department from meeting obligations incurred prior to the effective date of this section.

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

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

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

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

(7) ((~~$7,000,000~~)) $2,000,000 of the general fund--state appropriation for fiscal year 2010 ((~~is~~)) and $4,682,000 of the general

fund--state appropriation for fiscal year 2011 are provided solely for the implementation of Senate Bill No. 5809 (WorkForce employment and training).

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

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

(End of Part)

PART III
NATURAL RESOURCES

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

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2010) $58,552,000
General Fund--State Appropriation (FY 2011) $46,925,000
General Fund--Federal Appropriation $82,079,000
General Fund--Private/Local Appropriation $16,688,000
Special Grass Seed Burning Research Account--State
Appropriation $14,000
Reclamation Account--State Appropriation $3,649,000
Flood Control Assistance Account--State Appropriation . . . $1,943,000
State Emergency Water Projects Revolving Account--
State Appropriation $240,000
Waste Reduction/Recycling/Litter Control--State
Appropriation $12,467,000
State Drought Preparedness Account--State
Appropriation $4,000,000
State and Local Improvements Revolving Account
(Water Supply Facilities)--State Appropriation $424,000
Freshwater Aquatic Algae Control Account--State
Appropriation $508,000
Water Rights Tracking System Account--State
Appropriation $116,000
Site Closure Account--State Appropriation $922,000
Wood Stove Education and Enforcement Account--State
Appropriation . . . . . ((~~$612,000~~))
<u>$582,000</u>
Worker and Community Right-to-Know Account--State
Appropriation $1,663,000
State Toxics Control Account--State Appropriation $106,642,000
State Toxics Control Account--Private/Local
Appropriation $379,000
Local Toxics Control Account--State Appropriation $24,690,000

Water Quality Permit Account--State Appropriation $37,018,000
Underground Storage Tank Account--State
Appropriation $3,270,000
Biosolids Permit Account--State Appropriation $1,866,000
Hazardous Waste Assistance Account--State
Appropriation $5,880,000
Air Pollution Control Account--State Appropriation . . . ((~~$2,111,000~~))
$1,565,000
Oil Spill Prevention Account--State Appropriation $10,599,000
Air Operating Permit Account--State Appropriation $2,758,000
Freshwater Aquatic Weeds Account--State Appropriation . . . $1,693,000
Oil Spill Response Account--State Appropriation $7,077,000
Metals Mining Account--State Appropriation $14,000
Water Pollution Control Revolving Account--State
Appropriation $535,000
Water Pollution Control Revolving Account--Federal
Appropriation $2,210,000
Water Rights Processing Account--State Appropriation $68,000
TOTAL APPROPRIATION . . . . . ((~~$437,612,000~~))
$437,036,000

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.

(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.

(12) $225,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$193,000~~)) $181,000 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.

(13) $150,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$150,000~~)) $141,000 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.

(14) $215,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$235,000~~)) $220,000 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.

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

(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.

(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.

(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.

(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.

(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.

(21) $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.

(22) 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.

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

(24) $68,000 of the water rights processing account--state appropriation is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 6267 (water rights processing). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

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

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

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

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

<u>(28) In accordance with RCW 43.135.055, the department is authorized to increase the fees set forth in and previously authorized in section 302(10), chapter 564, Laws of 2009.</u>

<u>(29) In accordance with RCW 43.135.055, the department is authorized to adopt and increase the fees set forth in and previously authorized in sections 3, 5, 7, and 12, chapter 285, Laws of 2010.</u>

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

FOR THE STATE PARKS AND RECREATION COMMISSION

General Fund--State Appropriation (FY 2010) $23,176,000

General Fund--State Appropriation (FY 2011) $18,309,000

General Fund--Federal Appropriation $6,892,000
General Fund--Private/Local Appropriation $73,000
Winter Recreation Program Account--State Appropriation . . . $1,556,000
Off Road Vehicle Account--State Appropriation $239,000
Snowmobile Account--State Appropriation $4,842,000
Aquatic Lands Enhancement Account--State Appropriation $368,000
Recreation Resources Account--State Appropriation . . . ((~~$9,802,000~~)) $9,469,000
NOVA Program Account--State Appropriation . . . . . ((~~$9,560,000~~)) $9,164,000
Parks Renewal and Stewardship Account--State Appropriation $72,975,000
Parks Renewal and Stewardship Account--Private/Local Appropriation $300,000
TOTAL APPROPRIATION . . . . . ((~~$148,092,000~~)) $147,363,000

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~~)) $74,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant for the operation of the Northwest avalanche center.

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

(3) 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.

(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. 2010 2nd sp.s. c 1 s 304 (uncodified) is amended to read as follows:

FOR THE RECREATION AND CONSERVATION FUNDING BOARD

General Fund--State Appropriation (FY 2010) $1,486,000
General Fund--State Appropriation (FY 2011) $1,312,000
General Fund--Federal Appropriation . . . . . ((~~$10,322,000~~))
$10,427,000
General Fund--Private/Local Appropriation $250,000
Aquatic Lands Enhancement Account--State Appropriation $278,000
Firearms Range Account--State Appropriation $39,000
Recreation Resources Account--State Appropriation . . . ((~~$2,710,000~~))
$2,738,000
NOVA Program Account--State Appropriation . . . . . .((~~$1,049,000~~))
$1,059,000
TOTAL APPROPRIATION . . . . . ((~~$17,446,000~~))
$17,589,000

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

(1) $204,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$244,000~~)) $194,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of Substitute House Bill No. 2157 (salmon recovery). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

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

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

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

FOR THE DEPARTMENT OF FISH AND WILDLIFE

General Fund--State Appropriation (FY 2010) $41,263,000
General Fund--State Appropriation (FY 2011) $30,560,000
General Fund--Federal Appropriation . . . . . ((~~$85,799,000~~))
<u>$88,799,000</u>
General Fund--Private/Local Appropriation $47,211,000
Off Road Vehicle Account--State Appropriation $413,000
Aquatic Lands Enhancement Account--State Appropriation . . . $6,739,000
Recreational Fisheries Enhancement--State
Appropriation $3,472,000
Warm Water Game Fish Account--State Appropriation $2,861,000
Eastern Washington Pheasant Enhancement Account--
State Appropriation $851,000
Aquatic Invasive Species Enforcement Account--State
Appropriation $207,000
Aquatic Invasive Species Prevention Account-- State
Appropriation $833,000
Wildlife Account--State Appropriation . . . . . ((~~$86,878,000~~))
<u>$86,998,000</u>
Wildlife Account--Federal Appropriation $101,000
Wildlife Account--Private/Local Appropriation $39,000
Game Special Wildlife Account--State Appropriation $2,367,000
Game Special Wildlife Account--Federal Appropriation $3,426,000
Game Special Wildlife Account--Private/Local
Appropriation $487,000
Wildlife Rehabilitation Account--State Appropriation $269,000

Regional Fisheries Salmonid Recovery Account--
Federal Appropriation $5,001,000
Oil Spill Prevention Account--State Appropriation $876,000
Oyster Reserve Land Account--State Appropriation $916,000
TOTAL APPROPRIATION . . . . . ((~~$320,569,000~~))
$323,689,000

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, 2010.

(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.

(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.

(7) $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 removal of derelict gear in Washington waters.

(8) The department of fish and wildlife shall dispose of all Cessna 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. The department shall coordinate with the department of natural resources on the installation of fire surveillance equipment into its Partenavia aircraft. The

department shall make its Partenavia aircraft available to the department of natural resources on a cost-reimbursement basis for its use in coordinating fire suppression efforts. The two agencies shall develop an interagency agreement that defines how they will share access to the plane.

(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.

(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.

(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.

(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.

(13) Within the amounts appropriated in this section, the department of fish and wildlife shall develop a method for allocating its administrative and overhead costs proportionate to program fund

use. As part of its 2011-2013 biennial operating budget, the department shall submit a decision package that rebalances expenditure authority for all agency funds based upon proportionate contributions.

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

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

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

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

(18) The department must work with appropriate stakeholders to facilitate the disposition of salmon to best utilize the resource, increase revenues to regional fisheries enhancement groups, and enhance the provision of nutrients to food banks. By November 1, 2010, the

department must provide a report to the appropriate committees of the legislature summarizing these discussions, outcomes, and recommendations. After November 1, 2010, the department shall not solicit or award a surplus salmon disposal contract without first giving due consideration to implementing the recommendations developed during the stakeholder process.

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

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

FOR THE DEPARTMENT OF NATURAL RESOURCES

General Fund--State Appropriation (FY 2010) $48,822,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$33,387,000~~))
<u>$37,321,000</u>
General Fund--Federal Appropriation $28,784,000
General Fund--Private/Local Appropriation $2,369,000
Forest Development Account--State Appropriation $41,640,000
Off Road Vehicle Account--State Appropriation $4,406,000
Surveys and Maps Account--State Appropriation $2,332,000
Aquatic Lands Enhancement Account--State
Appropriation $8,315,000
Resources Management Cost Account--State
Appropriation $78,704,000
Surface Mining Reclamation Account--State
Appropriation $3,494,000
Disaster Response Account--State Appropriation $5,000,000
Forest and Fish Support Account--State Appropriation $8,000,000
Aquatic Land Dredged Material Disposal Site
Account--State Appropriation $1,333,000
Natural Resources Conservation Areas Stewardship
Account--State Appropriation $184,000
State Toxics Control Account--State Appropriation $720,000
Air Pollution Control Account--State Appropriation . . . . ((~~$568,000~~))
<u>$478,000</u>
NOVA Program Account--State Appropriation $974,000
Derelict Vessel Removal Account--State Appropriation $1,749,000

Agricultural College Trust Management Account--

State Appropriation $1,941,000

TOTAL APPROPRIATION . . . . . ((~~$272,722,000~~)) $276,566,000

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

(1) $1,355,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$349,000~~)) $327,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for deposit into the agricultural college trust management account and are provided solely to manage approximately 70,700 acres of Washington State University's agricultural college trust lands.

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

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

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

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

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

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

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

(9) $30,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$30,000~~)) <u>$28,000</u> 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.

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

(11) Within available funds, the department of natural resources shall review the statutory method for determining aquatic lands lease

rates for private marinas, public marinas not owned and operated by port districts, yacht clubs, and other entities leasing state land for boat moorage. The review shall consider alternative methods for determining rents for these entities for a fair distribution of rent, consistent with the department management mandates for state aquatic lands.

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

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

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

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

FOR THE DEPARTMENT OF AGRICULTURE

General Fund--State Appropriation (FY 2010) $12,320,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$15,830,000~~)) $15,391,000

General Fund--Federal Appropriation . . . . . ((~~$20,947,000~~)) $21,047,000

General Fund--Private/Local Appropriation $193,000

Aquatic Lands Enhancement Account--State Appropriation . . . . . ((~~$2,551,000~~)) $2,564,000

State Toxics Control Account--State Appropriation $4,724,000

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

TOTAL APPROPRIATION . . . . . ((~~$56,626,000~~)) $56,300,000

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.

(4) ((~~$5,420,000~~)) $5,179,000 of the general fund--state appropriation for fiscal year 2011 and $2,782,000 of the general fund--federal appropriation are provided solely for implementation of Substitute Senate Bill No. 6341 (food assistance/department of agriculture). Within amounts appropriated in this subsection, $65,000 of the general fund--state appropriation for fiscal year 2011 is 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 this contract. If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

(5) The department shall, if public or private funds are available, partner with eligible public and private entities with experience in food collection and distribution to review funding sources for eight

full-time volunteers in the AmeriCorps VISTA program to conduct outreach to local growers, agricultural donors, and community volunteers. Public and private partners shall also be utilized to coordinate gleaning unharvested tree fruits and fresh produce for distribution to individuals throughout Washington state.

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

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

FOR THE PUGET SOUND PARTNERSHIP

General Fund--State Appropriation (FY 2010) $3,143,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$2,684,000~~))
$2,528,000
General Fund--Federal Appropriation . . . . . ((~~$7,214,000~~))
$8,096,000
Aquatic Lands Enhancement Account--State Appropriation $493,000
State Toxics Control Account--State Appropriation $794,000
TOTAL APPROPRIATION . . . . . ((~~$14,328,000~~))
$15,054,000

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) $794,000 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) $839,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$764,000~~)) $264,000 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.

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

(End of part)

PART IV
TRANSPORTATION

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

FOR THE DEPARTMENT OF LICENSING

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

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

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

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

(3) $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.

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

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

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

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

FOR THE STATE PATROL

General Fund--State Appropriation (FY 2010) $38,977,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$36,059,000~~))
$33,292,000
General Fund--Federal Appropriation $15,793,000
General Fund--Private/Local Appropriation $4,986,000
Death Investigations Account--State Appropriation $5,580,000
Enhanced 911 Account--State Appropriation $603,000
County Criminal Justice Assistance Account--State
Appropriation $3,146,000
Municipal Criminal Justice Assistance Account--State
Appropriation $1,255,000
Fire Service Trust Account--State Appropriation $131,000
Disaster Response Account--State Appropriation $8,002,000
Fire Service Training Account--State Appropriation $8,821,000
Aquatic Invasive Species Enforcement Account--State
Appropriation $54,000
State Toxics Control Account--State Appropriation $509,000
Fingerprint Identification Account--State
Appropriation $10,454,000
TOTAL APPROPRIATION . . . . . ((~~$134,370,000~~))
$131,603,000

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

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

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

(3) The 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.

(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.

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

(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.

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

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

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

(End of part)

PART V
EDUCATION

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

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

General Fund--State Appropriation (FY 2010) $35,415,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$29,696,000~~)) $30,196,000

General Fund--Federal Appropriation $87,081,000

TOTAL APPROPRIATION . . . . . ((~~$152,192,000~~)) $152,692,000

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

(1) A maximum of $23,096,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$19,570,000~~)) $20,070,000 of the general fund--state appropriation for fiscal year 2011 is for state agency operations.

(a) $11,226,000 of the general fund--state appropriation for fiscal year 2010 and $9,709,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

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

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

(iii) Within amounts provided in this subsection (1)(a), the state superintendent of public instruction shall share best practices with school districts regarding strategies for increasing efficiencies and economies of scale in school district noninstructional operations through shared service arrangements and school district cooperatives, as well as other practices.

(b) $25,000 of the general fund--state appropriation for fiscal year 2011 is provided to the office of the superintendent of public instruction solely to convene a science, technology, engineering, and mathematics (STEM) working group to develop a comprehensive plan with a shared vision, goals, and measurable objectives to improve policies and practices to ensure that a pathway is established for elementary schools, middle schools, high schools, postsecondary degree programs, and careers in the areas of STEM, including improving practices for recruiting, preparing, hiring, retraining, and supporting teachers and instructors while creating pathways to boost student success, close the achievement gap, and prepare every student to be college and career ready. The working group shall be composed of the director of STEM at the office of the superintendent of public instruction who shall be the chair of the working group, and at least one representative from the state board of education, professional educator standards board, state board of community and technical colleges, higher education coordinating board, workforce training and education coordinating board, the achievement gap oversight and accountability committee, and others with appropriate expertise. The working group shall develop a comprehensive plan and a report with recommendations, including a timeline for specific actions to be taken, which is due to the governor and the appropriate committees of the legislature by December 1, 2010.

(c) $920,000 of the general fund--state appropriation for fiscal year 2010 and $491,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for research and development activities associated with the development of options for new school finance systems, including technical staff, reprogramming, and analysis of alternative student funding formulae. Within this amount is $150,000 for the state board of education for further development of accountability systems, and $150,000 for the professional educator standards board for continued development of teacher certification and evaluation systems.

(d) $965,000 of the general fund--state appropriation for fiscal year 2010 and $887,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities.

(e) $5,366,000 of the general fund--state appropriation for fiscal year 2010 and $3,103,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to the professional educator standards board for the following:

(i) $1,070,000 in fiscal year 2010 and $985,000 in fiscal year 2011 are for the operation and expenses of the Washington professional educator standards board;

(ii) $4,106,000 of the general fund--state appropriation for fiscal year 2010 and $1,936,000 of the general fund--state appropriation for fiscal year 2011 are for conditional scholarship loans and mentor stipends provided through the alternative routes to certification program administered by the professional educator standards board, including the pipeline for paraeducators program and the retooling to teach conditional loan programs. Funding within this subsection (1)(f)(ii) is also provided for the recruiting Washington teachers program.

(iii) $102,000 of the general fund--state appropriation for fiscal year 2010 is provided for the implementation of Second Substitute Senate Bill No. 5973 (student achievement gap). $94,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the ongoing work of the achievement gap oversight and accountability committee and implementation of the committee's recommendations.

(f) $1,349,000 of the general fund--state appropriation for fiscal year 2010 and $144,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for replacement of the apportionment system, which includes the processes that collect school district budget and expenditure information, staffing characteristics, and the student enrollments that drive the funding process.

(g) $1,140,000 of the general fund--state appropriation for fiscal year 2010 and $1,227,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the creation of a statewide data base of longitudinal student information. This amount is

conditioned on the department satisfying the requirements in section 902 of this act.

(h) $75,000 of the general fund--state appropriation for fiscal year 2010 is provided solely to promote the financial literacy of students. The effort will be coordinated through the financial education public-private partnership. It is expected that nonappropriated funds available to the public-private partnership will be sufficient to continue financial literacy activities.

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

(j) $44,000 of the general fund--state appropriation for fiscal year 2010 and $45,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of Substitute Senate Bill No. 5248 (enacting the interstate compact on educational opportunity for military children).

(k) $700,000 of the general fund--state appropriation for fiscal year 2010 and $700,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of Substitute Senate Bill No. 5410 (online learning).

(l) $25,000 of the general fund--state appropriation for fiscal year 2010 and $12,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for project citizen, a program sponsored by the national conference of state legislatures and the center for civic education to promote participation in government by middle school students.

(m) $2,518,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the implementation of Substitute House Bill No. 2776 (K-12 education funding). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(n) $89,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the implementation of Engrossed Second Substitute House Bill No. 3026 (state and federal civil rights laws). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(o) Beginning in the 2010-11 school year, the superintendent of public instruction shall require all districts receiving general apportionment funding for alternative learning experience (ALE) programs as defined in WAC 392-121-182 to provide separate financial accounting of expenditures for the ALE programs offered in district or with a provider, including but not limited to private companies and multidistrict cooperatives.

(p) $55,000 of the general fund--state appropriation for fiscal year 2011 is provided to the office of the superintendent of public instruction solely to convene a technical working group to establish standards, guidelines, and definitions for what constitutes a basic education program for highly capable students and the appropriate funding structure for such a program, and to submit recommendations to the legislature for consideration. The working group may convene advisory subgroups on specific topics as necessary to assure participation and input from a broad array of diverse stakeholders. The working group must consult with and seek input from nationally recognized experts; researchers and academics on the unique educational, emotional, and social needs of highly capable students and how to identify such students; representatives of national organizations and associations for educators of or advocates for highly capable students; school district representatives who are educators, counselors, and classified school employees involved with highly capable programs; parents of students who have been identified as highly capable; representatives from the federally recognized tribes; and representatives of cultural, linguistic, and racial minority groups and the community of persons with disabilities. The working group shall make recommendations to the quality education council and to appropriate committees of the legislature by December 1, 2010. The recommendations shall take into consideration that access to the program for highly capable students is not an individual entitlement for any particular student. The recommendations shall seek to minimize underrepresentation of any particular demographic or socioeconomic group by better identification, not lower standards or quotas, and shall include the following:

(i) Standardized state-level identification procedures, standards, criteria, and benchmarks, including a definition or definitions of a

highly capable student. Students who are both highly capable and are students of color, are poor, or have a disability must be addressed;

(ii) Appropriate programs and services that have been shown by research and practice to be effective with highly capable students but maintain options and flexibility for school districts, where possible;

(iii) Program administration, management, and reporting requirements for school districts;

(iv) Appropriate educator qualifications, certification requirements, and professional development and support for educators and other staff who are involved in programs for highly capable students;

(v) Self-evaluation models to be used by school districts to determine the effectiveness of the program and services provided by the school district for highly capable programs;

(vi) An appropriate state-level funding structure; and

(vii) Other topics deemed to be relevant by the working group.

(q) ((~~$500,000~~)) $1,000,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for contracting with a college scholarship organization with expertise in conducting outreach to students concerning eligibility for the Washington college bound scholarship consistent with chapter 405, Laws of 2007.

(r) $24,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for implementation of Substitute Senate Bill No. 6759 (requiring a plan for a voluntary program of early learning as a part of basic education). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection (1)(r) shall lapse.

(s) $950,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for office of the attorney general costs related to *McCleary v. State of Washington*.

(2) $12,320,000 of the general fund--state appropriation for fiscal year 2010, $10,127,000 of the general fund--state appropriation for fiscal year 2011, and $55,890,000 of the general fund--federal appropriation are for statewide programs.

(a) HEALTH AND SAFETY

(i) $2,541,000 of the general fund--state appropriation for fiscal year 2010 and $2,381,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a corps of nurses located at

educational service districts, as determined by the superintendent of public instruction, to be dispatched to the most needy schools to provide direct care to students, health education, and training for school staff.

(ii) $100,000 of the general fund--state appropriation for fiscal year 2010 and $94,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a school safety training program provided by the criminal justice training commission. The commission, in collaboration with the school safety center advisory committee, shall provide the school safety training for all school administrators and school safety personnel, including school safety personnel hired after the effective date of this section.

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

(iv) $96,000 of the general fund--state appropriation for fiscal year 2010 and $90,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the school safety center in the office of the superintendent of public instruction subject to the following conditions and limitations:

(A) The safety center shall: Disseminate successful models of school safety plans and cooperative efforts; provide assistance to schools to establish a comprehensive safe school plan; select models of cooperative efforts that have been proven successful; act as an information dissemination and resource center when an incident occurs in a school district either in Washington or in another state; coordinate activities relating to school safety; review and approve manuals and curricula used for school safety models and training; and develop and maintain a school safety information web site.

(B) The school safety center advisory committee shall develop a training program, using the best practices in school safety, for all school safety personnel.

(v) $70,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the youth suicide prevention program.

(vi) $50,000 of the general fund--state appropriation for fiscal year 2010 and $47,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a nonviolence and leadership training program provided by the institute for community leadership.

(b) TECHNOLOGY

(i) $1,842,000 of the general fund--state appropriation for fiscal year 2010 and $1,635,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for K-20 telecommunications network technical support in the K-12 sector to prevent system failures and avoid interruptions in school utilization of the data processing and video-conferencing capabilities of the network. These funds may be used to purchase engineering and advanced technical support for the network.

(ii) $1,475,000 of the general fund--state appropriation for fiscal year 2010, $1,045,000 of the general fund--state appropriation for fiscal year 2011, and $435,000 of the general fund--federal appropriation are provided solely for implementing a comprehensive data system to include financial, student, and educator data. The office of the superintendent of public instruction will convene a data governance group to create a comprehensive needs-requirement document, conduct a gap analysis, and define operating rules and a governance structure for K-12 data collections.

(c) GRANTS AND ALLOCATIONS

(i) $1,329,000 of the general fund--state appropriation for fiscal year 2010 and $664,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the special services pilot project to include up to seven participating districts. The office of the superintendent of public instruction shall allocate these funds to the district or districts participating in the pilot program according to the provisions of RCW 28A.630.016.

(ii) $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 the Washington state achievers scholarship program. The funds shall be used to support community involvement officers that recruit, train, and match community volunteer mentors with students selected as achievers scholars.

(iii) $25,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for developing and disseminating curriculum and other materials documenting women's role in World War II.

(iv) $175,000 of the general fund--state appropriation for fiscal year 2010 and $87,000 of the general fund--state appropriation for

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

(v) $2,898,000 of the general fund--state appropriation for fiscal year 2010 and $2,924,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the dissemination of the navigation 101 curriculum to all districts. The funding shall support electronic student planning tools and software for analyzing the impact of navigation 101 on student performance, as well as grants to a maximum of one hundred school districts each year, based on progress and need for the implementation of the navigation 101 program. The implementation grants shall be awarded to a cross-section of school districts reflecting a balance of geographic and demographic characteristics. Within the amounts provided, the office of the superintendent of public instruction will create a navigation 101 accountability model to analyze the impact of the program.

(vi) $627,000 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 implementation of a statewide program for comprehensive dropout prevention, intervention, and retrieval.

(vii) $40,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for program initiatives to address the educational needs of Latino students and families. Using the full amounts of the appropriations under this subsection (2)(c)(vii), the office of the superintendent of public instruction shall contract with the Seattle community coalition of compana quetzal to provide for three initiatives: (A) Early childhood education; (B) parent leadership training; and (C) high school success and college preparation programs.

(viii) $60,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for a pilot project to encourage bilingual high school students to pursue public school teaching as a profession. Using the full amounts of the appropriation under this subsection, the office of the superintendent of public instruction shall contract with the Latino/a educational achievement project (LEAP) to work with school

districts to identify and mentor not fewer than fifty bilingual students in their junior year of high school, encouraging them to become bilingual instructors in schools with high English language learner populations. Students shall be mentored by bilingual teachers and complete a curriculum developed and approved by the participating districts.

(ix) $145,000 of the general fund--state appropriation for fiscal year 2010 and $37,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to the office of the superintendent of public instruction to enhance the reading skills of students with dyslexia by implementing the findings of the dyslexia pilot program. Funds shall be used to provide information and training to classroom teachers and reading specialists, for development of a dyslexia handbook, and to take other statewide actions to improve the reading skills of students with dyslexia. The training program shall be delivered regionally through the educational service districts.

(x) $97,000 of the general fund--state appropriation for fiscal year 2010 and $48,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to support vocational student leadership organizations.

(xi) $100,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for drop-out prevention programs at the office of the superintendent of public instruction including the jobs for America's graduates (JAG) program.

Sec. 502. 2010 2nd sp.s. c 1 s 502 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL APPORTIONMENT

General Fund--State Appropriation (FY 2010) $5,126,153,000
General Fund--State Appropriation (FY 2011) . . . . ((~~$4,912,103,000~~))
<u>$4,887,369,000</u>
General Fund--Federal Appropriation $208,098,000
TOTAL APPROPRIATION . . . . . ((~~$10,246,354,000~~))
<u>$10,221,620,000</u>

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

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

(b) The appropriations in this section include federal funds provided through section 101 of Public Law No. 111-226 (education jobs fund), which shall be used to support general apportionment program funding. In distributing general apportionment allocations under this section for the 2010-11 school year, the superintendent shall include the entire allocation from the federal funds provided through section 101 of Public Law No. 111-226 (education jobs fund) as part of each district's general apportionment allocation.

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

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

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

(ii) ((~~For the 2009-10 school year and the portion of the 2010-11 school year from September 1, 2010, through January 31, 2011:~~))

(A)(I) For districts that enroll fewer than 25 percent of their total full-time equivalent student enrollment in grades K through three in digital or online learning programs as defined in WAC 392-121-182, as in effect on November 1, 2009((~~,~~)): For the 2009-10 school year, fifty-three and two-tenths certificated instructional staff units per thousand full-time equivalent students in grades K through three and, for the portion of the 2010-11 school year from September 1, 2010, through January 31, 2011, fifty and seventy-five one-hundredths certificated instructional staff units per thousand full-time equivalent students in grades K through three.

(II) For all other districts for the 2009-10 school year, a minimum of forty-nine certificated instructional staff units per 1,000 full-time equivalent (FTE) students in grades K through three, with additional certificated instructional staff units to equal the documented staffing level in grades K through three, up to a maximum of fifty-three and two-tenths certificated instructional staff units per 1,000 FTE students.

For the portion of the 2010 school year from September 1, 2010, through January 31, 2011, a minimum of forty-nine certificated instructional staff units per thousand full-time equivalent students in grades K through three, with additional certificated instructional staff units to equal the documented staffing level in grades K through three, up to a maximum of fifty and seventy-five one-hundredths certificated instructional staff units per thousand full-time equivalent students in grades K through three.

(B)(I) For districts that enroll fewer than 25 percent of their total full-time equivalent student enrollment in grade four in digital or online learning programs defined in WAC 392-121-182 as in effect on November 1, 2009: For the 2009-10 school year, fifty-three and two-tenths certificated instructional staff units per thousand full-time equivalent students in grade four, and for the portion of the 2010-11 school year from September 1, 2010, through January 31, 2011, ((~~forty-seven and forty-three~~)) forty-six and twenty-seven one-hundredths certificated instructional staff units per thousand full-time equivalent students in grade four.

(II) For all other districts:

For the 2009-10 school year, a minimum of forty-six certificated instructional staff units per 1,000 full-time equivalent (FTE) students in grade four, and additional certificated instructional staff units to equal the documented staffing level in grade four, up to a maximum of fifty-three and two-tenths certificated instructional staff units per 1,000 FTE students.

For the portion of the 2010-11 school year from September 1, 2010, through January 31, 2011, a minimum of forty-six certificated instructional staff units per 1,000 full-time equivalent (FTE) students in grade four, and additional certificated instructional staff units to equal the documented staffing level in grade four, up to a maximum of

((~~forty-seven and forty-three~~)) forty-six and twenty-seven one-hundredths certificated instructional staff units per 1,000 FTE students;

(iii) For the portion of the 2010-11 school year beginning February 1, 2010:

(A) Forty-nine certificated instructional staff units per thousand full-time equivalent students in grades kindergarten through three;

(B) Forty-six certificated instructional staff units per thousand full-time equivalent students in grade 4;

(iv) All allocations for instructional staff units per thousand full-time equivalent students above forty-nine in grades kindergarten through three and forty-six in grade four shall occur in apportionments in the monthly periods prior to February 1, 2011;

(v) Forty-six certificated instructional staff units per thousand full-time equivalent students in grades 5-12;

(vi) Certificated staff allocations in this subsection (2)(a) exceeding the statutory minimums established in RCW 28A.150.260 shall not be considered part of basic education;

(b) For school districts with a minimum enrollment of 250 full-time equivalent students whose full-time equivalent student enrollment count in a given month exceeds the first of the month full-time equivalent enrollment count by 5 percent, an additional state allocation of 110 percent of the share that such increased enrollment would have generated had such additional full-time equivalent students been included in the normal enrollment count for that particular month;

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

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

(B) Middle school vocational STEM programs approved by the superintendent of public instruction, a maximum of 0.92 certificated instructional staff units and 0.8 certificated administrative staff units for each 19.5 full-time equivalent vocational students; and

(C) Skills center programs meeting the standards for skills center funding established in January 1999 by the superintendent of public instruction with a waiver allowed for skills centers in current operation that are not meeting this standard until the 2010-11 school

year, 0.92 certificated instructional staff units and 0.08 certificated administrative units for each 16.67 full-time equivalent vocational students;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) For enrollments generating certificated staff unit allocations

under subsection (2)(e) through (h) of this section, one classified staff unit for each 2.94 certificated staff units allocated under such subsections;

(b) For all other enrollment in grades K-12, including vocational full-time equivalent enrollments, one classified staff unit for each 58.75 average annual full-time equivalent students; and

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

(4) Fringe benefit allocations shall be calculated at a rate of 14.43 percent in the 2009-10 school year and 14.43 percent in the 2010-11 school year for certificated salary allocations provided under subsection (2) of this section, and a rate of 16.59 percent in the 2009-10 school year and 16.59 percent in the 2010-11 school year for classified salary allocations provided under subsection (3) of this section.

(5) Insurance benefit allocations shall be calculated at the maintenance rate specified in section 504(2) of this act, based on the number of benefit units determined as follows:

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

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

(6)(a) For nonemployee-related costs associated with each certificated staff unit allocated under subsection (2)(a), (b), and (d) through (g) of this section, there shall be provided a maximum of $10,179 per certificated staff unit in the 2009-10 school year and a maximum of $10,424 per certificated staff unit in the 2010-11 school year.

(b) For nonemployee-related costs associated with each vocational certificated staff unit allocated under subsection (2)(c)(i)(A) of this section, there shall be provided a maximum of $24,999 per certificated

staff unit in the 2009-10 school year and a maximum of $25,399 per certificated staff unit in the 2010-11 school year.

(c) For nonemployee-related costs associated with each vocational certificated staff unit allocated under subsection (2)(c)(i)(B) of this section, there shall be provided a maximum of $19,395 per certificated staff unit in the 2009-10 school year and a maximum of $19,705 per certificated staff unit in the 2010-11 school year.

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

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

(9) Funding in this section is sufficient to provide additional service year credits to educational staff associates pursuant to chapter 403, Laws of 2007.

(10)(a) The superintendent may distribute a maximum of ((~~$7,286,000~~)) $5,452,000 outside the basic education formula during fiscal years 2010 and 2011 as follows:

(i) For fire protection for school districts located in a fire protection district as now or hereafter established pursuant to chapter 52.04 RCW, a maximum of $567,000 may be expended in fiscal year 2010 and a maximum of $576,000 may be expended in fiscal year 2011;

(ii) For summer vocational programs at skills centers, a maximum of

$2,385,000 may be expended for the 2010 fiscal year and a maximum of ((~~$2,385,000~~)) $600,000 for the 2011 fiscal year((~~. 20 percent of each fiscal year amount may carry over from one year to the next~~));

(iii) A maximum of $403,000 may be expended for school district emergencies; and

(iv) A maximum of $485,000 ((~~each fiscal year~~)) for fiscal year 2010 and $436,000 for fiscal year 2011 may be expended for programs providing skills training for secondary students who are enrolled in extended day school-to-work programs, as approved by the superintendent of public instruction. The funds shall be allocated at a rate not to exceed $500 per full-time equivalent student enrolled in those programs.

(b) Funding in this section is sufficient to fund a maximum of 1.6 FTE enrollment for skills center students pursuant to chapter 463, Laws of 2007. In the 2010-11 school year, summer school vocational programs are not eligible for funding under the 1.6 FTE enrollment cap.

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

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

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

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

(13) General apportionment payments to the Steilacoom historical school district shall reflect changes to operation of the Harriet Taylor elementary school consistent with the timing of reductions in correctional facility capacity and staffing.

(14) $2,500,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the superintendent for financial contingency funds for eligible school districts. The financial contingency funds shall be allocated to eligible districts in the form of an advance of their respective general apportionment allocations.

(a) Eligibility:

The superintendent shall determine a district's eligibility for receipt of financial contingency funds, and districts shall be eligible only if the following conditions are met:

(i) A petition is submitted by the school district as provided in RCW 28A.510.250 and WAC 392-121-436; and

(ii) The district's projected general fund balance for the month of March is less than one-half of one percent of its budgeted general fund expenditures as submitted to the superintendent for the 2010-11 school year on the F-196 report.

(b) Calculations:

The superintendent shall calculate the financial contingency allocation to each district as the lesser of:

(i) The amount set forth in the school district's resolution;

(ii) An amount not to exceed 10 percent of the total amount to become due and apportionable to the district from September 1st through August 31st of the current school year;

(iii) The highest negative monthly cash and investment balance of the general fund between the date of the resolution and May 31st of the school year based on projections approved by the county treasurer and the educational service district.

(c) Repayment:

For any amount allocated to a district in state fiscal year 2011, the superintendent shall deduct in state fiscal year 2012 from the district's general apportionment the amount of the emergency contingency allocation and any earnings by the school district on the investment of a temporary cash surplus due to the emergency contingency allocation. Repayments or advances will be accomplished by a reduction in the school district's apportionment payments on or before June 30th of the school year following the distribution of the emergency contingency allocation. All disbursements, repayments, and outstanding allocations to be repaid of the emergency contingency pool shall be

reported to the office of financial management and the appropriate fiscal committees of the legislature on July 1st and January 1st of each year.

Sec. 503. 2010 1st sp.s. c 37 s 505 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION

General Fund--State Appropriation (FY 2010) $317,116,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$296,747,000~~)) $296,408,000

TOTAL APPROPRIATION . . . . . .((~~$613,863,000~~)) $613,524,000

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

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

(2) A maximum of $878,000 of this fiscal year 2010 appropriation and a maximum of ((~~$892,000~~)) $803,000 of the fiscal year 2011 appropriation may be expended for regional transportation coordinators and related activities. The transportation coordinators shall ensure that data submitted by school districts for state transportation funding shall, to the greatest extent practical, reflect the actual transportation activity of each district.

(3) Allocations for transportation of students shall be based on reimbursement rates of $48.15 per weighted mile in the 2009-10 school year and $48.37 per weighted mile in the 2010-11 school year exclusive of salary and benefit adjustments provided in section 504 of this act. Allocations for transportation of students transported more than one radius mile shall be based on weighted miles as determined by superintendent of public instruction multiplied by the per mile reimbursement rates for the school year pursuant to the formulas adopted by the superintendent of public instruction. Allocations for transportation of students living within one radius mile shall be based on the number of enrolled students in grades kindergarten through five living within one radius mile of their assigned school multiplied by the per mile reimbursement rate for the school year multiplied by 1.29.

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

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

(6) Funding levels in this section reflect reductions from the implementation of Substitute House Bill No. 1292 (authorizing waivers from the one hundred eighty-day school year requirement in order to allow four-day school weeks).

Sec. 504. 2010 1st sp.s. c 37 s 506 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE PROGRAMS

General Fund--State Appropriation (FY 2010) $3,159,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$3,159,000~~))
$7,111,000

General Fund--Federal Appropriation . . . . . ((~~$391,988,000~~))
$448,588,000

TOTAL APPROPRIATION . . . . . ((~~$398,306,000~~))
$458,858,000

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

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

(2) $100,000 of the general fund--state appropriation for fiscal year 2010 ((~~and $100,000 of the 2011 fiscal year appropriation are~~)) is provided for summer food programs for children in low-income areas.

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

(4) $7,111,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for state matching money for federal child nutrition programs, and may support the meals for kids program through the following allowable uses:

(a) Elimination of breakfast copays and lunch copays for students in grades kindergarten through third grade who are eligible for reduced price lunch;

(b) Assistance to school districts for supporting summer food service programs, and initiating new summer food service programs in low-income areas; and

(c) Reimbursements to school districts for school breakfasts served to students eligible for free and reduced price lunch, pursuant to chapter 287, Laws of 2005.

Sec. 505. 2010 1st sp.s. c 37 s 507 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2010) $632,136,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$650,856,000~~))
$627,323,000
General Fund--Federal Appropriation $664,601,000
Education Legacy Trust Account--State
Appropriation $756,000
TOTAL APPROPRIATION . . . . . .((~~$1,948,349,000~~))
$1,924,816,000

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

(1) Funding for special education programs is provided on an excess cost basis, pursuant to RCW 28A.150.390. School districts shall ensure that special education students as a class receive their full share of the general apportionment allocation accruing through sections 502 and

504 of this act. To the extent a school district cannot provide an appropriate education for special education students under chapter 28A.155 RCW through the general apportionment allocation, it shall provide services through the special education excess cost allocation funded in this section.

(2)(a) The superintendent of public instruction shall ensure that:

(i) Special education students are basic education students first;

(ii) As a class, special education students are entitled to the full basic education allocation; and

(iii) Special education students are basic education students for the entire school day.

(b) The superintendent of public instruction shall continue to implement the full cost method of excess cost accounting, as designed by the committee and recommended by the superintendent, pursuant to section 501(1)(k), chapter 372, Laws of 2006.

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

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

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

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

(ii) A district's annual average full-time equivalent basic education enrollment multiplied by the funded enrollment percent

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

(b) For purposes of this subsection, "average basic education allocation per full-time equivalent student" for a district shall be based on the staffing ratios required by RCW 28A.150.260 and shall not include enhancements, secondary vocational education, or small schools in the 2009-10 school year. In the 2010-11 school year, the per student allocation under this subsection (5)(b) shall include the same factors as in the 2009-10 school year, but shall also include the classified staff enhancements included in section 502(3)(b).

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

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

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

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

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

(8) To the extent necessary, ((~~$44,269,000~~)) $20,736,000 of the general fund--state appropriation and $29,574,000 of the general fund--

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

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

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

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

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

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

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

(g) ((~~The office of the superintendent of public instruction, at the conclusion of each school year, shall recover safety net funds that were distributed prospectively but for which districts were not subsequently eligible~~)) Beginning with the 2010-11 school year award cycle, the office of the superintendent of public instruction shall make award determinations for state safety net funding in August of each school year. Determinations on school district eligibility for state safety net awards shall be based on analysis of actual expenditure data from the current school year.

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

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

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

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

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

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

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

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

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

(15) $262,000 of the general fund--state appropriation for fiscal year 2010 and $251,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for two additional full-time equivalent staff to support the work of the safety net committee and to provide training and support to districts applying for safety net awards.

(16) $50,000 of the general fund--state appropriation for fiscal year 2010, $50,000 of the general fund--state appropriation for fiscal 2011, and $100,000 of the general fund--federal appropriation shall be expended to support a special education ombudsman program within the office of superintendent of public instruction.

Sec. 506. 2010 1st sp.s. c 37 s 508 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE DISTRICTS

General Fund--State Appropriation (FY 2010) $8,394,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$8,319,000~~))
$7,487,000
TOTAL APPROPRIATION . . . . . ((~~$16,713,000~~))
$15,881,000

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

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

(2) $3,355,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$3,355,000~~)) $3,020,000 of the general fund--state

appropriation for fiscal year 2011 are provided solely for regional professional development related to mathematics and science curriculum and instructional strategies. Funding shall be distributed among the educational service districts in the same proportion as distributions in the 2007-2009 biennium. Each educational service district shall use this funding solely for salary and benefits for a certificated instructional staff with expertise in the appropriate subject matter and in professional development delivery, and for travel, materials, and other expenditures related to providing regional professional development support. The office of superintendent of public instruction shall also allocate to each educational service district additional amounts provided in section 504 of this act for compensation increases associated with the salary amounts and staffing provided in this subsection (2).

(3) The educational service districts, at the request of the state board of education pursuant to RCW 28A.310.010 and 28A.310.340, may receive and screen applications for school accreditation, conduct school accreditation site visits pursuant to state board of education rules, and submit to the state board of education post-site visit recommendations for school accreditation. The educational service districts may assess a cooperative service fee to recover actual plus reasonable indirect costs for the purposes of this subsection.

Sec. 507. 2010 1st sp.s. c 37 s 511 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund--State Appropriation (FY 2010) $9,189,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$9,188,000~~))
$9,162,000
TOTAL APPROPRIATION . . . . . ((~~$18,377,000~~))
$18,351,000

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

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

(2) Allocations for school district programs for highly capable students shall be distributed at a maximum rate of $401.08 per funded student for the 2009-10 school year and $401.08 per funded student for the 2010-11 school year, exclusive of salary and benefit adjustments pursuant to section 504 of this act. For the 2009-10 and 2010-11 school years, the number of funded students shall be a maximum of 2.314 percent of each district's full-time equivalent basic education enrollment.

(3) $90,000 of the fiscal year 2010 appropriation and ((~~$90,000~~)) $81,000 of the fiscal year 2011 appropriation are provided for the Washington destination imagination network and future problem-solving programs.

(4) $170,000 of the fiscal year 2010 appropriation and ((~~$170,000~~)) $153,000 of the fiscal year 2011 appropriation are provided for the centrum program at Fort Worden state park.

Sec. 508. 2010 2nd sp.s. c 1 s 503 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM PROGRAMS

General Fund--State Appropriation (FY 2010) $93,642,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$92,643,000~~)) $85,691,000
General Fund--Federal Appropriation $154,627,000
Education Legacy Trust Account--State
Appropriation . . . . . ((~~$100,381,000~~)) $98,981,000
TOTAL APPROPRIATION . . . . . ((~~$441,293,000~~)) $432,941,000

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

(1) $35,804,000 of the general fund--state appropriation for fiscal year 2010, $31,850,000 of the general fund--state appropriation for fiscal year 2011, $1,350,000 of the education legacy trust account--state appropriation, and $17,869,000 of the general fund--federal appropriation are provided solely for development and implementation of the Washington state assessment system, including: (i) Development and implementation of retake assessments for high

school students who are not successful in one or more content areas; 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 assessment 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) Within amounts provided in subsections (1) and (2) of this section, the superintendent of public instruction, in consultation with the state board of education, shall develop a statewide high school end-of-course assessment measuring student achievement of the state science standards in biology to be implemented statewide in the 2011-12 school year. By December 1, 2010, the superintendent of public instruction shall recommend whether additional end-of-course assessments in science should be developed and in which content areas. Any recommendation for additional assessments must include an implementation timeline and the projected cost to develop and administer the assessments.

(4) $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.

(5) $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.

(6) $3,773,000 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.

(7) $1,740,000 of the general fund--state appropriation for fiscal year 2010 and $1,775,000 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.

(8) $139,000 of the general fund--state appropriation for fiscal year 2010 and $93,000 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.

(9) $1,473,000 of the general fund--state appropriation for fiscal year 2010 and $197,000 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.

(10) $88,981,000 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.

(11) $700,000 of the general fund--state appropriation for fiscal year 2010 and $450,000 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.

(12) $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.

(13) $1,960,000 of the general fund--state appropriation for fiscal year 2010 and $761,000 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 shall be used for focused assistance programs for individual schools or school districts. The office of the superintendent of public instruction shall report to the fiscal committees of the legislature by September 1, 2011, providing an accounting of the uses of focused assistance funds during the 2009-11 fiscal biennium, including a list of schools served and the types of services provided.

(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~~)) is 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~~)) is 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) $1,003,000 of the general fund--state appropriation for fiscal year 2010 and $528,000 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) $3,269,000 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) $1,861,000 of the general fund--state appropriation for fiscal year 2010 and $1,836,000 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 $150,000 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) $246,000 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) $28,715,000 of the general fund--state appropriation for fiscal year 2010 and $36,168,000 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;

(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 state and federal appropriations, 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) $2,475,000 of the general fund--state appropriation for fiscal year 2010 and $456,000 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. In fiscal year 2011, if equally matched by private donations, $300,000 of the appropriation shall be used to support FIRST Robotics programs, including FIRST Robotics professional development.

(23) $75,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the implementation of House Bill No. 2621 (K-12 school resource programs). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(24) $300,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the local farms-healthy kids program as described in chapter 215, Laws of 2008. The program is suspended in the 2011 fiscal year, and not eliminated.

(25) $2,348,000 of the general fund--state appropriation for fiscal year 2010 and $1,000,000 of the general fund--state appropriation for fiscal year 2011 are provided solely 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.

(26) ((~~$1,790,000~~)) $390,000 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.

(27) Funding within this section is provided for implementation of Engrossed Substitute Senate Bill No. 5414 (statewide assessments and curricula).

(28) $530,000 of the general fund--state appropriation for fiscal year 2010 and $265,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the leadership internship program for superintendents, principals, and program administrators.

(29) Funding for the community learning center program, established in RCW 28A.215.060, and providing grant funding for the 21st century after-school program, is suspended and not eliminated.

(30) $2,357,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 6696 (education reform). Of the amount provided, $142,000 is provided to the professional educators' standards board and $120,000 is provided to the system of the educational service districts, to fulfill their respective duties under the bill.

(End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 2010 2nd sp.s. c 1 s 602 (uncodified) is amended to read as follows:

FOR THE UNIVERSITY OF WASHINGTON

General Fund--State Appropriation (FY 2010) $269,571,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$259,706,000~~))
$259,678,000
General Fund--Federal Appropriation $43,971,000
Education Legacy Trust Account--State Appropriation $54,534,000
Accident Account--State Appropriation $6,750,000
Medical Aid Account--State Appropriation $6,540,000
Biotoxin Account--State Appropriation $449,000
TOTAL APPROPRIATION . . . . . ((~~$641,521,000~~))
$641,493,000

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

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

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

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

(4) $150,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the William D. Ruckelshaus center for

facilitation, support, and analysis to support the nurse staffing steering committee in its work to apply best practices related to patient safety and nurse staffing.

(5) $54,000 of the general fund--state appropriation for fiscal year 2010 and $54,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the University of Washington geriatric education center to provide a voluntary adult family home certification program. In addition to the minimum qualifications required under RCW 70.128.120, individuals participating in the voluntary adult family home certification program shall complete fifty-two hours of class requirements as established by the University of Washington geriatric education center. Individuals completing the requirements of RCW 70.128.120 and the voluntary adult family home certification program shall be issued a certified adult family home license by the department of social and health services. The department of social and health services shall adopt rules implementing the provisions of this subsection.

(6) $50,000 of the general fund--state appropriation for fiscal year 2010 and $52,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the center for international trade in forest products in the college of forest resources.

(7) $250,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for joint planning to increase the number of residency positions and programs in eastern Washington and Spokane within the existing Washington, Wyoming, Alaska, Montana, Idaho (WWAMI) regional medical education program partnership between the University of Washington school of medicine, Washington State University, and area physicians and hospitals. The joint planning efforts are to include preparation of applications for new residency programs in family medicine, internal medicine, obstetrics, psychiatry and general surgery; business plans for those new programs; and for increasing the number of positions in existing programs among regional academic and hospital partners and networks. The results of the joint planning efforts, including the status of the application preparation and business plan, must be reported to the house of representatives committee on higher education and the senate committee on higher education and workforce development by December 1, 2010.

(8) $25,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of chapter 164, Laws of 2010 (local government infrastructure). The University of Washington shall use a qualified researcher to report the percentage probability that the application's assumptions and estimates of jobs created and increased tax receipts will be achieved by the projects. In making this report, the qualified researcher shall work with the department of revenue and the applicants to develop a series of factors that are based on available economic metrics and sound principles.

Sec. 602. 2010 2nd sp.s. c 1 s 603 (uncodified) is amended to read as follows:

FOR WASHINGTON STATE UNIVERSITY

General Fund--State Appropriation (FY 2010) $169,462,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$170,699,000~~))
$170,671,000
General Fund--Federal Appropriation $15,772,000
Education Legacy Trust Account--State Appropriation $34,435,000
TOTAL APPROPRIATION . . . . . ((~~$390,368,000~~))
$390,340,000

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

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

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

(3) When implementing reductions for fiscal year 2010 and fiscal year 2011, Washington State University shall minimize reductions to extension services and agriculture extension services. Agriculture extension includes:

(a) Faculty with extension appointments working within the following departments in the college of agricultural, human, and natural resource sciences with extension appointments: Animal sciences, crop and soil sciences, entomology, horticulture, and plant pathology;

(b) The portion of county extension educators' appointments assigned to the "agricultural programs" area;

(c) Staff with extension appointments and extension operating allocations located at the irrigated agriculture research and extension center (Prosser), northwest Washington research and extension center (Mt. Vernon), and tree fruit research and extension center (Wenatchee); and

(d) Extension contributions to the center for precision agricultural systems, center for sustaining agriculture and natural resources, and the agriculture weather network.

(4) $75,000 of the general fund--state appropriation for fiscal year 2010 and $75,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for research related to honeybee colony collapse disease.

Sec. 603. 2010 2nd sp.s. c 1 s 604 (uncodified) is amended to read as follows:

FOR EASTERN WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2010) $34,689,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$35,126,000~~))
$35,098,000
General Fund--Federal Appropriation $5,522,000
Education Legacy Trust Account--State Appropriation $16,041,000
TOTAL APPROPRIATION . . . . . ((~~$91,378,000~~))
$91,350,000

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

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

(2) Because higher education is an essential driver of economic recovery and development, the university shall maintain, and endeavor

to increase, enrollment and degree production levels at or beyond their academic year 2008-09 levels in the following high-demand fields: Biological and biomedical sciences; computer and information sciences; education with specializations in special education, math, or science; engineering and engineering technology; health professions and related clinical sciences; and mathematics and statistics.

(3) At least $200,000 of the general fund--state appropriation for fiscal year 2010 and at least $200,000 of the general fund--state appropriation for fiscal year 2011 shall be expended on the northwest autism center.

Sec. 604. 2010 2nd sp.s. c 1 s 605 (uncodified) is amended to read as follows:

FOR CENTRAL WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2010) $30,289,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$32,383,000~~))
$32,355,000
General Fund--Federal Appropriation $6,975,000
Education Legacy Trust Account--State Appropriation $19,012,000
TOTAL APPROPRIATION . . . . . ((~~$88,659,000~~))
$88,631,000

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

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

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

Sec. 605. 2010 2nd sp.s. c 1 s 606 (uncodified) is amended to read as follows:

FOR THE EVERGREEN STATE COLLEGE

General Fund--State Appropriation (FY 2010) $20,514,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$17,728,000~~))

$17,700,000

General Fund--Federal Appropriation $2,366,000

Education Legacy Trust Account--State Appropriation $5,417,000

TOTAL APPROPRIATION . . . . . ((~~$46,025,000~~))

$45,997,000

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

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

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

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

(b) In fiscal year 2011 the labor education and research center shall be transferred from The Evergreen State College to south Seattle community college.

(4) $100,000 of the general fund--state appropriation for fiscal year 2010 and $100,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington state institute for public policy to report to the legislature regarding efficient and effective programs and policies. The report shall calculate the return on investment to taxpayers from evidence-based prevention and intervention programs and policies that influence crime, K-12 education outcomes, child maltreatment, substance abuse, mental health, public health, public assistance, employment, and housing. The institute for public policy shall provide the legislature with a comprehensive list

of programs and policies that improve these outcomes for children and adults in Washington and result in more cost-efficient use of public resources. The institute shall submit interim reports by December 15, 2009, and October 1, 2010, and a final report by June 30, 2011. The institute may receive additional funds from a private organization for the purpose of conducting this study.

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

(6) At least $200,000 of the general fund--state appropriation for fiscal year 2010 and at least $200,000 of the general fund--state appropriation for fiscal year 2011 shall be expended on the Washington center for undergraduate education.

(7) $15,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the Washington state institute for public policy to examine the need for and methods to increase the availability of nonfood items, such as personal hygiene supplies, soaps, paper products, and other items, to needy persons in the state. The study shall examine existing private and public programs that provide such products, and develop recommendations for the most cost-effective incentives for private and public agencies to increase local distribution outlets and local and regional networks of supplies. A final report shall be delivered to the legislature and the governor by December 1, 2009.

(8) $17,000 of the general fund--state appropriation for fiscal year 2010 and $42,000 of the general fund--state appropriation for fiscal year 2011 are provided to the Washington state institute for public policy to implement Second Substitute House Bill No. 2106 (child

welfare outcomes). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(9) $54,000 of the general fund--state appropriation for fiscal year 2010 and $23,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement Substitute Senate Bill No. 5882 (racial disproportionality). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(10) $75,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the Washington state institute of public policy to evaluate the adequacy of and access to financial aid and independent living programs for youth in foster care. The examination shall include opportunities to improve efficiencies within these programs. The institute shall report its findings by December 1, 2009.

(11) $75,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the Washington state institute for public policy to conduct an assessment of the general assistance unemployable program and other similar programs. The assessment shall include a review of programs in other states that provide similar services and will include recommendations on promising approaches that both improve client outcomes and reduce state costs. A report is due by December 1, 2009.

(12) To the extent funds are available, the Washington state institute for public policy is encouraged to continue the longitudinal analysis of long-term mental health outcomes 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.

(13) $50,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the institute for public policy to provide research support to the council on quality education.

(14) At least $119,207 of the general fund--state appropriation for fiscal year 2011 shall be expended on the longhouse center.

(15) At least $103,146 of the general fund--state appropriation for fiscal year 2011 shall be expended on the Northwest Indian applied research institute.

Sec. 606. 2010 2nd sp.s. c 1 s 607 (uncodified) is amended to read as follows:

FOR WESTERN WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2010) $43,146,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$46,359,000~~))
$46,331,000

General Fund--Federal Appropriation $8,885,000

Education Legacy Trust Account--State Appropriation $12,917,000

TOTAL APPROPRIATION . . . . . ((~~$111,307,000~~))
$111,279,000

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

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

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

Sec. 607. 2010 1st sp.s. c 37 s 610 (uncodified) is amended to read as follows:

FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND ADMINISTRATION

General Fund--State Appropriation (FY 2010) $6,402,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$5,561,000~~))
$4,274,000

General Fund--Federal Appropriation $4,332,000

TOTAL APPROPRIATION . . . . . ((~~$16,295,000~~))
$15,008,000

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

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

(2) $146,000 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 the higher education coordinating board to administer Engrossed Second Substitute House Bill No. 2021 (revitalizing student financial aid). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(3) $167,000 of the general fund--state appropriation for fiscal year 2010 and $71,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement Engrossed Second Substitute House Bill No. 1946 (regarding higher education online technology). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(4) $350,000 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 higher education coordinating board to contract with the Pacific Northwest university of health sciences to conduct training and education of health care professionals to promote osteopathic physician services in rural and underserved areas of the state.

Sec. 608. 2010 1st sp.s. c 37 s 611 (uncodified) is amended to read as follows:

FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT PROGRAMS

General Fund--State Appropriation (FY 2010) $188,332,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$122,218,000~~))
$96,833,000
General Fund--Federal Appropriation $13,129,000
Education Legacy Trust Account--State Appropriation . . . $116,060,000
Opportunity Pathways Account--State Appropriation . . . ((~~$73,500,000~~))
$98,885,000
TOTAL APPROPRIATION $513,239,000

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

(1) $178,726,000 of the general fund--state appropriation for fiscal year 2010, ((~~$120,572,000~~)) $110,687,000 of the general fund--state appropriation for fiscal year 2011, $109,188,000 of the education legacy trust account appropriation, ((~~$73,500,000~~)) $98,885,000 of the opportunity pathways appropriation, and $2,545,000 of the general fund--federal appropriation are provided solely for student financial aid payments under the state need grant; the state work study program including up to a four percent administrative allowance; the Washington scholars program; and the Washington award for vocational excellence. State need grant and the Washington award for vocational excellence shall be adjusted to offset the cost of the resident undergraduate tuition increases, limited to those tuition increases authorized under this act. The Washington scholars program shall provide awards sufficient to offset ninety percent of the total tuition and fee award.

(2)(a) Within the funds appropriated in this section, eligibility for the state need grant shall include students with family incomes at

or below 70 percent of the state median family income (MFI), adjusted for family size. Awards for all students shall be adjusted by the estimated amount by which Pell grant increases exceed projected increases in the noninstructional costs of attendance. Awards for students with incomes between 51 and 70 percent of the state median shall be prorated at the following percentages of the award amount granted to those with incomes below 51 percent of the MFI: 70 percent for students with family incomes between 51 and 55 percent MFI; 65 percent for students with family incomes between 56 and 60 percent MFI; 60 percent for students with family incomes between 61 and 65 percent MFI; and 50 percent for students with family incomes between 66 and 70 percent MFI.

(b) Grant awards for students at private four-year colleges shall be set at the same level as the student would receive if attending one of the public research universities.

(3) To the maximum extent practicable, the board shall provide state work study subsidies only to resident students during the 2010-11 academic year. Additionally, in order to provide work opportunities to as many resident students as possible, the board is encouraged to increase the proportion of student wages that is to be paid by both proprietary and nonprofit, public, and private employers.

(4) $3,872,000 of the education legacy trust account--state appropriation is provided solely for the passport to college scholarship program pursuant to chapter 28B.117 RCW. The higher education coordinating board shall contract with a college scholarship organization with expertise in managing scholarships for low-income, high-potential students and foster care children and young adults to administer the program. Of the amount in this subsection, $39,000 is provided solely for the higher education coordinating board for administration of the contract and the remaining shall be contracted out to the organization for the following purposes:

(a) $384,000 is provided solely for program administration, and

(b) $3,449,000 is provided solely for student financial aid for up to 151 students and to fund student support services. Funds are provided for student scholarships, provider training, and for incentive payments to the colleges they attend for individualized student support services which may include, but are not limited to, college and career

advising, counseling, tutoring, costs incurred for students while school is not in session, personal expenses, health insurance, and emergency services.

(5) $1,250,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the health professional scholarship and loan program. The funds provided in this subsection shall be: (a) Prioritized for health care deliver sites demonstrating a commitment to serving the uninsured; and (b) allocated between loan repayments and scholarships proportional to current program allocations.

(6) For fiscal year 2010 and fiscal year 2011, the board shall defer loan or conditional scholarship repayments to the future teachers conditional scholarship and loan repayment program for up to one year for each participant if the participant has shown evidence of efforts to find a teaching job but has been unable to secure a teaching job per the requirements of the program.

(7) $246,000 of the general fund--state appropriation for fiscal year 2010 and $246,000 of the general fund--state appropriation for fiscal year 2011 are for community scholarship matching grants and its administration. To be eligible for the matching grant, nonprofit groups organized under section 501(c)(3) of the federal internal revenue code must demonstrate they have raised at least $2,000 in new moneys for college scholarships after the effective date of this section. Groups may receive no more than one $2,000 matching grant per year and preference shall be given to groups affiliated with scholarship America. Up to a total of $46,000 per year of the amount appropriated in this section may be awarded to a nonprofit community organization to administer scholarship matching grants, with preference given to an organization affiliated with scholarship America.

(8) $500,000 of the general fund--state appropriation for fiscal year 2010 and $500,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for state need grants provided to students enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits. Total state expenditures on this program shall not exceed the amounts provided in this subsection.

(9) $2,500,000 of the education legacy trust account--state appropriation is provided solely for the gaining early awareness and readiness for undergraduate programs project.

(10) $75,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for higher education student child care matching grants under chapter 28B.135 RCW.

(11) $200,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for continuation of the leadership 1000 scholarship sponsorship and matching program.

(12) In 2010 and 2011, the board shall continue to designate Washington scholars and scholar-alternates and to recognize them at award ceremonies as provided in RCW 28A.600.150, but state funding is provided for award of only one scholarship per legislative district during the 2010-11 academic year. After the 2010-11 academic year, and as provided in RCW 28B.76.660, the board may distribute grants to these eligible students to the extent that funds are appropriated for this purpose.

Sec. 609. 2010 1st sp.s. c 37 s 612 (uncodified) is amended to read as follows:

FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD

General Fund--State Appropriation (FY 2010) $1,465,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,444,000~~))
$1,353,000

General Fund--Federal Appropriation $54,020,000

TOTAL APPROPRIATION . . . . . ((~~$56,929,000~~))
$56,838,000

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

(1) $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 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.

(2) In 2010 and 2011, the board shall continue to designate recipients of the Washington award for vocational excellence and to recognize them at award ceremonies as provided in RCW 28C.04.535, but state funding is provided for award of only one scholarship per legislative district during the 2010-11 academic year. After the 2010-

11 academic year, and as provided in RCW 28B.76.670, the board may distribute grants to these eligible students to the extent that funds are appropriated for this purpose.

Sec. 610. 2010 1st sp.s. c 37 s 613 (uncodified) is amended to read as follows:

FOR THE SPOKANE INTERCOLLEGIATE RESEARCH AND TECHNOLOGY INSTITUTE

General Fund--State Appropriation (FY 2010) $1,598,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,490,000~~)) $1,327,000
TOTAL APPROPRIATION . . . . . ((~~$3,088,000~~)) $2,925,000

The appropriations in this section are subject to the following conditions and limitations: Within existing resources, the Spokane intercollegiate research and technology institute shall coordinate with the Washington technology center to identify gaps and overlaps in programs and evaluate strategies to reduce administrative overhead expenses per section 122(27) of this act.

Sec. 611. 2010 1st sp.s. c 37 s 614 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF EARLY LEARNING

General Fund--State Appropriation (FY 2010) $60,400,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$21,241,000~~)) $18,969,000
General Fund--Federal Appropriation . . . . . ((~~$265,305,000~~)) $266,004,000
Opportunity Pathways Account--State Appropriation $40,000,000
TOTAL APPROPRIATION . . . . . ((~~$386,946,000~~)) $385,373,000

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

(1) $54,878,000 of the general fund--state appropriation for fiscal year 2010 and ((~~$14,685,000~~)) $14,405,000 of the general fund--state appropriation for fiscal year 2011, and $40,000,000 of the opportunity pathways account appropriation are provided solely for early childhood education and assistance program services. This appropriation temporarily reduces the number of slots for the 2009-11 fiscal biennium

for the early childhood education and assistance program. The department shall reduce slots where providers serve both federal headstart and early childhood education and assistance program children, to the greatest extent possible, in order to achieve no reduction of slots across the state. The amounts in this subsection also reflect reductions to the administrative expenditures for the early childhood education and assistance program. The department shall reduce administrative expenditures, to the greatest extent possible, prior to reducing early childhood education and assistance program slots. Of these amounts, $10,284,000 is a portion of the biennial amount of state matching dollars required to receive federal child care and development fund grant dollars.

(2) $1,000,000 of the general fund--federal appropriation is provided to the department to contract with Thrive by Five, Washington for a pilot project for a quality rating and improvement system to provide parents with information they need to choose quality child care and education programs and to improve the quality of early care and education programs. The department in collaboration with Thrive by Five shall operate the pilot projects in King, Yakima, Clark, Spokane, and Kitsap counties. The department shall use child care development fund quality money for this purpose.

(3) $425,000 of the general fund--state appropriation for fiscal year 2010, $213,000 of the general fund--state appropriation for fiscal year 2011, and $850,000 of the general fund--federal appropriation are provided solely for child care resource and referral network services. The general fund--federal funding represents moneys from the American recovery and reinvestment act of 2009 (child care development block grant).

(4) $750,000 of the general fund--state appropriation for fiscal year 2010((~~, $750,000 of the general fund--state appropriation for fiscal year 2011,~~)) and $1,500,000 of the general fund--federal appropriation are provided solely for the career and wage ladder program created by chapter 507, Laws of 2005. The general fund--federal funding represents moneys from the American recovery and reinvestment act of 2009 (child care development block grant).

(5) $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 the department to work with

stakeholders and the office of the superintendent of public instruction to identify and test a kindergarten assessment process and tools in geographically diverse school districts. School districts may participate in testing the kindergarten assessment process on a voluntary basis. The department shall report to the legislature on the kindergarten assessment process not later than January 15, 2011. Expenditure of amounts provided in this subsection is contingent on receipt of an equal match from private sources. As matching funds are made available, the department may expend the amounts provided in this subsection.

(6) $1,600,000 of the general fund--federal appropriation is provided solely for the department to fund programs to improve the quality of infant and toddler child care through training, technical assistance, and child care consultation.

(7) $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 to develop and provide culturally relevant supports for parents, family, and other caregivers.

(8) The legislature notes that the department of early learning is developing a plan for improving child care licensing and is consulting, as practicable, with parents, licensed child care providers, and stakeholders from the child care community. The plan shall outline the processes and specify the resources necessary for improvements such as continuing licenses, child care licensing technology, and weighted child care regulations, including development of risk-based decision making models and inclusive, evidence-based rule making. The department shall submit to the appropriate committees of the legislature a plan by January 15, 2011.

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

(10) The department shall use child care development fund money to satisfy the federal audit requirement of the improper payments act

(IPIA) of 2002. In accordance with the IPIA's rules, the money spent on the audits will not count against the five percent state limit on administrative expenditures.

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

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

(13) $500,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the department to contract with the private-public partnership established in chapter 43.215 RCW for home visitation programs. Of this amount, $200,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for expenditure into the home visiting services account created in Part IX of this act to be used for contracts for home visitation with the private-public partnership.

(14) In accordance to RCW 43.215.255(2) and 43.135.055, the department is authorized to increase child care center licensure fees by fifty-two dollars for the first twelve children and an additional four dollars per additional child in fiscal year 2011 for costs to the department for the licensure activity, including costs of necessary inspection.

<u>(15) In accordance with RCW 43.135.055, the department of early learning is authorized to adopt and increase the fees set forth in and previously authorized in section 3, chapter 231, Laws of 2010.</u>

<u>(16) As of January 31, 2011, the department may not adopt, enforce, or implement any rules or policies restricting the eligibility of consumers for child care subsidy benefits to a countable income level below one hundred seventy-five percent of the federal poverty guidelines.</u>

Sec. 612. 2010 1st sp.s. c 37 s 615 (uncodified) is amended to read as follows:

FOR THE STATE SCHOOL FOR THE BLIND

General Fund--State Appropriation (FY 2010) $5,902,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$5,985,000~~))

$5,509,000

General Fund--Private/Local Appropriation $1,942,000

TOTAL APPROPRIATION . . . . . ((~~$13,829,000~~))

$13,353,000

The appropriations in this section are subject to the following conditions and limitations: $271,000 of the general fund--private/local appropriation is provided solely for the school for the blind to offer short course programs, allowing students the opportunity to leave their home schools for short periods and receive intensive training. The school for the blind shall provide this service to the extent that it is funded by contracts with school districts and educational services districts.

Sec. 613. 2010 1st sp.s. c 37 s 616 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS

General Fund--State Appropriation (FY 2010) $8,593,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$8,782,000~~))

$8,230,000

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

TOTAL APPROPRIATION . . . . . ((~~$17,901,000~~))

$17,349,000

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

(1) $210,000 of the general fund--private/local appropriation is provided solely for the operation of the shared reading video outreach program. The school for the deaf shall provide this service to the extent it is funded by contracts with school districts and educational service districts.

(2) $25,000 of the general fund--state appropriation for fiscal year 2010 and $25,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed

Second Substitute House Bill No. 1879 (deaf and hard of hearing). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

Sec. 614. 2010 1st sp.s. c 37 s 617 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE ARTS COMMISSION

General Fund--State Appropriation (FY 2010) $1,844,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,347,000~~))
$1,230,000
General Fund--Federal Appropriation $1,944,000
General Fund--Private/Local Appropriation $1,052,000
TOTAL APPROPRIATION . . . . . ((~~$6,187,000~~))
$6,070,000

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

Sec. 615. 2010 1st sp.s. c 37 s 618 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE HISTORICAL SOCIETY

General Fund--State Appropriation (FY 2010) $2,592,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$2,607,000~~))
$2,381,000
TOTAL APPROPRIATION . . . . . ((~~$5,199,000~~))
$4,973,000

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

spending in those areas that shall have the least impact on implementing its mission.

Sec. 616. 2010 1st sp.s. c 37 s 619 (uncodified) is amended to read as follows:

FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY

General Fund--State Appropriation (FY 2010) $1,612,000

General Fund--State Appropriation (FY 2011) . . . . . ((~~$1,632,000~~))

$1,490,000

TOTAL APPROPRIATION . . . . . ((~~$3,244,000~~))

$3,102,000

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

NEW SECTION. **Sec. 617.** A new section is added to 2009 c 564 (uncodified) to read as follows:

In accordance with RCW 43.135.055, each governing board of the state research universities, the state regional universities, and The Evergreen State University is authorized to adopt and increase all charges and all fees set forth in and previously authorized in section 603 (4), (7), and (8), chapter 564, Laws of 2009.

NEW SECTION. **Sec. 618.** A new section is added to 2009 c 564 (uncodified) to read as follows:

In accordance with RCW 43.135.055, the trustees of the state's community and technical colleges are authorized to adopt and increase all charges and all fees set forth in and previously authorized in section 604 (7), (8), and (9), chapter 564, Laws of 2009.

(End of part)

PART VII
SPECIAL APPROPRIATIONS

Sec. 701. 2010 1st sp.s. c 37 s 705 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF HEALTH--COUNTY PUBLIC HEALTH ASSISTANCE

General Fund--State Appropriation (FY 2011) . . . . . ((~~$24,000,000~~)) $22,303,000

The appropriations in this section are subject to the following conditions and limitations: The director of the department of health shall distribute the appropriations to the following counties and health districts in the amounts designated to support public health services, including public health nursing:

((~~Health District~~	~~FY 2011~~
~~Adams County Health District~~	~~$30,951~~
~~Asotin County Health District~~	~~$67,714~~
~~Benton-Franklin Health District~~	~~$1,165,612~~
~~Chelan-Douglas Health District~~	~~$184,761~~
~~Clallam County Health and Human Services Department~~	~~$141,752~~
~~Southwest Washington Health District~~	~~$1,084,473~~
~~Columbia County Health District~~	~~$40,529~~
~~Cowlitz County Health Department~~	~~$278,560~~
~~Garfield County Health District~~	~~$15,028~~
~~Grant County Health District~~	~~$118,596~~
~~Grays Harbor Health Department~~	~~183,870~~
~~Island County Health Department~~	~~$91,892~~
~~Jefferson County Health and Human Services~~	~~$85,782~~
~~Seattle-King County Department of Public Health~~	~~$9,531,747~~
~~Bremerton-Kitsap County Health District~~	~~$554,669~~
~~Kittitas County Health Department~~	~~$92,499~~
~~Klickitat County Health Department~~	~~$62,402~~
~~Lewis County Health Department~~	~~$105,801~~
~~Lincoln County Health Department~~	~~$29,705~~

~~Mason County Department of Health Services~~	~~$95,988~~
~~Okanogan County Health District~~	~~$63,458~~
~~Pacific County Health Department~~	~~$77,427~~
~~Tacoma-Pierce County Health Department~~	~~$2,820,590~~
~~San Juan County Health and Community Services~~	~~$37,531~~
~~Skagit County Health Department~~	~~$223,927~~
~~Snohomish Health District~~	~~$2,258,207~~
~~Spokane County Health District~~	~~$2,101,429~~
~~Northeast Tri-County Health District~~	~~$110,454~~
~~Thurston County Health Department~~	~~$600,419~~
~~Wahkiakum County Health Department~~	~~$13,772~~
~~Walla Walla County-City Health Department~~	~~$172,062~~
~~Whatcom County Health Department~~	~~$855,863~~
~~Whitman County Health Department~~	~~$78,733~~
~~Yakima Health District~~	~~$623,797~~
~~**TOTAL APPROPRIATIONS**~~	~~$24,000,000~~))

Health District	**FY 2011**
Clallam County Health and Human Services Department	$131,729
Clark County Health District	$982,997
Skamania County Health Department	$24,794
Columbia County Health District	$37,663
Cowlitz County Health Department	$258,863
Garfield County Health District	$13,965
Grant County Health District	$110,210
Grays Harbor Health Department	$170,869
Island County Health Department	$85,394
Jefferson County Health and Human Services	$79,716
Seattle-King County Department of Public Health	$8,857,773
Bremerton-Kitsap County Health District	$515,449
Kittitas County Health Department	$85,959
Klickitat County Health Department	$57,990
Lewis County Health Department	$98,320
Lincoln County Health Department	$27,605
Mason County Department of Health Services	$89,201
Okanogan County Health District	$58,971

Pacific County Health Department	$71,952
Tacoma-Pierce County Health Department	$2,621,151
San Juan County Health and Community Services	$34,877
Skagit County Health Department	$208,093
Snohomish Health District	$2,098,533
Spokane County Health District	$1,952,840
Northeast Tri-County Health District	$102,644
Thurston County Health Department	$557,964
Wahkiakum County Health Department	$12,798
Walla Walla County-City Health Department	$159,896
Whatcom County Health Department	$795,346
Whitman County Health Department	$73,166
Yakima Health District	$579,689
Adams County Health District	$28,763
Asotin County Health District	$62,926
Benton-Franklin Health District	$1,083,194
Chelan-Douglas Health District	$171,697
TOTAL APPROPRIATIONS	$22,303,000

Sec. 702. 2010 1st sp.s. c 37 s 707 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--CAPITOL BUILDING CONSTRUCTION ACCOUNT

General Fund--State Appropriation (FY 2010) $1,912,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$3,615,000~~))
$1,815,000
TOTAL APPROPRIATION . . . . . ((~~$5,527,000~~))
$3,727,000

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

Sec. 703. 2010 1st sp.s. c 37 s 711 (uncodified) is amended to read as follows:

INFORMATION TECHNOLOGY

Pursuant to section 11, chapter 282, Laws of 2010 (state government technology use), the office of financial management shall work with the appropriate state agencies to generate savings of $30,000,000 from

technology efficiencies from the state general fund. From appropriations in this act, the office of financial management shall reduce general fund--state allotments by ((~~$30,000,000~~)) $24,841,000 for fiscal year 2011. The office of financial management shall, utilizing existing fund balance, reduce the data processing revolving account rates in an amount to reflect up to half of the reductions identified in this section. The office of financial management may use savings or existing fund balances from information technology accounts to achieve savings in this section. The allotment reductions shall be placed in unallotted status and remain unexpended. Nothing in this section is intended to impact revenue collection efforts by the department of revenue.

Sec. 704. 2009 c 564 s 711 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--EDUCATION TECHNOLOGY REVOLVING ACCOUNT

General Fund--State Appropriation (FY 2010) $8,000,000
General Fund--State Appropriation (FY 2011) . . . . . ((~~$8,000,000~~)) $7,000,000
TOTAL APPROPRIATION . . . . . ((~~$16,000,000~~)) $15,000,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the education technology revolving account for the purpose of covering ongoing operational and equipment replacement costs incurred by the K-20 educational network program in providing telecommunication services to network participants.

NEW SECTION. **Sec. 705.** A new section is added to 2009 c 564 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--WASHINGTON OPPORTUNITY PATHWAYS ACCOUNT

General Fund--State Appropriation (FY 2011) $19,000,000
Higher Education Operating Fees Account
Appropriation $25,385,000
TOTAL APPROPRIATION $44,385,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the Washington opportunity pathways account. Each of the four year institutions of higher education and the state board for community and technical colleges shall provide a portion of the appropriation from the higher education operating fees account as follows:

University of Washington $5,658,000
Washington State University $3,718,000
Eastern Washington University $765,000
Central Washington University $705,000
The Evergreen State College $386,000
Western Washington University $1,010,000
State Board for Community and Technical Colleges . . . $13,143,000

NEW SECTION. **Sec. 706.** A new section is added to 2009 c 564 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--EDUCATION LEGACY TRUST ACCOUNT

General Fund--State Appropriation (FY 2011) $1,501,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for expenditure into the education legacy trust account.

NEW SECTION. **Sec. 707.** A new section is added to 2009 c 564 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--EMPLOYEE SALARY REDUCTION SAVINGS

From the appropriations provided in this act, the office of financial management shall reduce general fund--state allotments by $3,422,000 for fiscal year 2011 and shall reduce commensurately by $4,568,000 allotments in other dedicated funds and accounts for fiscal year 2011 to reflect a temporary three percent reduction in salaries for state agency employees not subject to a collective bargaining agreement, effective April 1, 2011. The allotment reductions in this section shall be placed in reserve status and remain unexpended.

NEW SECTION. **Sec. 708.** A new section is added to 2009 c 564 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--REDUCTION IN COMMUNICATIONS AND PUBLIC RELATIONS STAFF

The office of financial management shall develop a plan to generate savings of $1,000,000 from reductions in staffing and other efficiencies in communications and public relations by state agencies of the executive branch. It is the intent of the legislature that the reduction plan developed and implemented in accordance with this section shall prioritize essential communication functions for public information as well as executive and legislative branch oversight. From the appropriations in this act, the office of financial management shall reduce general fund--state allotments by $1,000,000 for fiscal year 2011. The allotment reductions shall be placed in reserve status and remain unexpended.

NEW SECTION. **Sec. 709.** A new section is added to 2009 c 564 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--MANAGEMENT EFFICIENCIES IN THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

The department of social and health services, in consultation with the office of financial management, shall develop a plan to generate savings of at least $1,728,000 from reductions in management staffing and other efficiencies in addition to other administrative savings generated by this act. It is the intent of the legislature that the reduction plan developed and implemented in accordance with this section shall focus on achieving management efficiencies and will avoid, to the extent possible, direct impact on client services and program operations. After reviewing and approving the management reduction and efficiency plan, from the appropriations in this act, the office of financial management shall reduce general fund--state allotments to the department of social and health services by at least $1,728,000 for fiscal year 2011. The allotment reductions shall be placed in reserve status and remain unexpended.

NEW SECTION. **Sec. 710.** A new section is added to 2009 c 564 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--MULTIPLE LANGUAGE ASSIGNMENT PAY

To the extent permitted by collective bargaining agreements, court orders, and court-approved settlements, the department of social and health services shall cease providing additional compensation for employees on the basis of proficiency in multiple languages after March 31, 2011. From the appropriations in this act, the office of financial management shall reduce general fund--state allotments by $250,000 for fiscal year 2011 to reflect the savings expected from the elimination of multiple-language assignment pay. The allotment reductions shall be placed in reserve status and remain unexpended.

NEW SECTION. **Sec. 711.** A new section is added to 2009 c 564 (uncodified) to read as follows:

BASIC HEALTH PLAN STABILIZATION ACCOUNT

The basic health plan stabilization account is created in the state treasury, to consist of such revenues, appropriations, and transfers as may be directed by law. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used solely for the support of the basic health plan under chapter 70.47 RCW.

(End of part)

PART VIII
OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2010 1st sp.s. c 37 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance premium distributions $7,572,000

General Fund Appropriation for public utility district excise tax distributions $47,342,000

General Fund Appropriation for prosecuting attorney distributions $6,281,000

General Fund Appropriation for boating safety and education distributions $4,854,000

General Fund Appropriation for other tax distributions $50,000

General Fund Appropriation for habitat conservation program distributions $3,000,000

Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies $2,544,000

Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution $170,000

Timber Tax Distribution Account Appropriation for distribution to "timber" counties $36,651,000

County Criminal Justice Assistance Appropriation $68,528,000

Municipal Criminal Justice Assistance Appropriation $27,175,000

City-County Assistance Account Appropriation for local government financial assistance distribution $27,366,000

Liquor Excise Tax Account Appropriation for liquor excise tax distribution $58,268,000

Streamline Sales and Use Tax Account Appropriation for distribution to local taxing jurisdictions to mitigate the unintended revenue redistribution effect of the sourcing law changes $50,056,000

Columbia River Water Delivery Account Appropriation

for the Confederated Tribes of the Colville Reservation $7,315,000

Columbia River Water Delivery Account Appropriation for the Spokane Tribe of Indians $4,644,000

Liquor Revolving Account Appropriation for liquor profits distribution . . . . . ((~~$68,741,000~~)) $62,741,000

Liquor Revolving Account Appropriation for additional liquor profits distribution to local governments . . . $18,677,000

TOTAL APPROPRIATION . . . . . ((~~$439,234,000~~)) $423,378,000

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

Sec. 802. 2010 2nd sp.s. c 1 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--TRANSFERS

State Treasurer's Service Account: For transfer to the state general fund, $16,400,000 for fiscal year 2010 and $26,400,000 for fiscal year 2011 . . . . .$42,800,000

Waste Reduction, Recycling and Litter Control Account: For transfer to the state general fund, $3,000,000 for fiscal year 2010 and $3,000,000 for fiscal year 2011 . . . . . $6,000,000

State Toxics Control Account: For transfer to the state general fund, $15,340,000 for fiscal year 2010 and $37,780,000 for fiscal year 2011 . . . . . $53,120,000

Local Toxics Control Account: For transfer to the state general fund, $37,060,000 for fiscal year 2010 and ((~~$48,759,000~~)) $65,759,000 for fiscal year 2011 . . . . . ((~~$85,819,000~~)) $102,819,000

Education Construction Account: For transfer to the state general fund, $105,228,000 for fiscal year 2010 and $106,451,000 for fiscal year 2011 . . . . . $211,679,000

Aquatics Lands Enhancement Account: For transfer to

the state general fund, $8,520,000 for fiscal year 2010 and ((~~$5,050,000~~)) $12,550,000 for fiscal year 2011 . . . . . ((~~$13,570,000~~)) $21,070,000

Drinking Water Assistance Account: For transfer to the drinking water assistance repayment account $28,600,000

Economic Development Strategic Reserve Account: For transfer to the state general fund, $2,500,000 for fiscal year 2010 and ((~~$2,500,000~~)) $3,900,000 for fiscal year 2011 . . . . . ((~~$5,000,000~~)) $6,400,000

Tobacco Settlement Account: For transfer to the state general fund, in an amount not to exceed by more than $26,000,000 the actual amount of the annual payment to the tobacco settlement account $204,098,000

Tobacco Settlement Account: For transfer to the life sciences discovery fund, in an amount not to exceed $26,000,000 less than the actual amount of the strategic contribution supplemental payment to the tobacco settlement account $39,170,000

General Fund: For transfer to the streamline sales and use tax account, $24,274,000 for fiscal year 2010 and $24,182,000 for fiscal year 2011 . . . . . $48,456,000

State Convention and Trade Center Account: For transfer to the state convention and trade center operations account, $1,000,000 for fiscal year 2010 and $3,100,000 for fiscal year 2011 . . . . . $4,100,000

Tobacco Prevention and Control Account: For transfer to the state general fund, $1,961,000 for fiscal year 2010 and $3,000,000 for fiscal year 2011 . . . . . .$4,961,000

Nisqually Earthquake Account: For transfer to the disaster response account for fiscal year 2010 . . . . . $500,000

Judicial Information Systems Account: For transfer to the state general fund, $3,250,000 for fiscal year 2010 and $3,250,000 for fiscal year 2011 . . . . . .$6,500,000

Department of Retirement Systems Expense Account: For transfer to the state general fund, $1,000,000 for fiscal year 2010 and $1,500,000 for fiscal year

2011 . . . . . $2,500,000

State Emergency Water Projects Account: For transfer to the state general fund, $390,000 for fiscal year 2011 . . . . . $390,000

The Charitable, Educational, Penal, and Reformatory Institutions Account: For transfer to the state general fund, $5,550,000 for fiscal year 2010 and ((~~$5,550,000~~)) $4,450,000 for fiscal year 2011 . . . . . ((~~$11,100,000~~)) $10,000,000

Energy Freedom Account: For transfer to the state general fund, $4,038,000 for fiscal year 2010 and $2,978,000 for fiscal year 2011 . . . . . $7,016,000

Thurston County Capital Facilities Account: For transfer to the state general fund, $8,604,000 for fiscal year 2010 and ((~~$5,538,000~~)) $5,156,000 for fiscal year 2011 . . . . . ((~~$14,142,000~~)) $13,760,000

Public Works Assistance Account: For transfer to the state general fund, $279,640,000 for fiscal year 2010 and $229,560,000 for fiscal year 2011 . . . . . $509,200,000

Budget Stabilization Account: For transfer to the state general fund for fiscal year 2010 . . . . . $45,130,000

Liquor Revolving Account: For transfer to the state general fund, $31,000,000 for fiscal year 2010 and $31,000,000 for fiscal year 2011 . . . . . $62,000,000

Public Works Assistance Account: For transfer to the city-county assistance account, $5,000,000 on July 1, 2009, and $5,000,000 on July 1, 2010 . . . . . $10,000,000

Public Works Assistance Account: For transfer to the drinking water assistance account, $6,930,000 for fiscal year 2010 and $4,000,000 for fiscal year 2011 . . . . . $10,930,000

Shared Game Lottery Account: For transfer to the education legacy trust account, $3,600,000 for fiscal year 2010 and $2,400,000 for fiscal year 2011 . . . . . $6,000,000

State Lottery Account: For transfer to the education

legacy trust account, $9,500,000 for fiscal year 2010 and $9,500,000 for fiscal year 2011 . . . . . $19,000,000

College Faculty Awards Trust Fund: For transfer to the state general fund for fiscal year 2010, an amount not to exceed the actual cash balance of the fund and $1,957,000 for fiscal year 2011 . . .((~~$4,000,000~~)) $5,957,000

Washington Distinguished Professorship Trust Fund: For transfer to the state general fund for fiscal year 2010, an amount not to exceed the actual cash balance of the fund and $2,966,000 for fiscal year 2011 . . . . . .((~~$6,000,000~~)) $8,966,000

Washington Graduate Fellowship Trust Account: For transfer to the state general fund for fiscal year 2010, an amount not to exceed the actual cash balance of the fund and $1,008,000 for fiscal year 2011 . . . . . .((~~$2,000,000~~)) $3,008,000

GET Ready for Math and Science Scholarship Account: For transfer to the state general fund for fiscal year 2010, an amount not to exceed the actual cash balance not comprised of or needed to match private contributions $1,800,000

Financial Services Regulation Account: For transfer to the state general fund, $2,000,000 for fiscal year 2010 and $7,000,000 for fiscal year 2011 . . . . . $9,000,000

Data Processing Revolving Fund: For transfer to the state general fund, $5,632,000 for fiscal year 2010 and $4,159,000 for fiscal year 2011 . . . .((~~$5,632,000~~)) $9,791,000

Public Service Revolving Account: For transfer to the state general fund, $8,000,000 for fiscal year 2010 and $7,000,000 for fiscal year 2011 . . . . . $15,000,000

Water Quality Capital Account: For transfer to the state general fund, $278,000 for fiscal year 2011 . . . . .$278,000

Performance Audits of Government Account: For transfer to the state general fund, $10,000,000

for fiscal year 2010 and ((~~$5,000,000~~)) $7,000,000 for fiscal year 2011 . . . . . ((~~$15,000,000~~)) $17,000,000

Job Development Account: For transfer to the state general fund, $20,930,000 for fiscal year 2010 . . . . . $20,930,000

Savings Incentive Account: For transfer to the state general fund, $10,117,000 for fiscal year 2010 and $32,075,000 for fiscal year 2011 . . . . . ((~~$10,117,000~~)) $42,192,000

Education Savings Account: For transfer to the state general fund, ((~~$100,767,000~~)) $90,690,000 for fiscal year 2010 and $53,384,000 for fiscal year 2011 . . . . . ((~~$100,767,000~~)) $144,074,000

Cleanup Settlement Account: For transfer to the state efficiency and restructuring account for fiscal year 2011 . . . . . $39,480,000

Disaster Response Account: For transfer to the state drought preparedness account, $4,000,000 for fiscal year 2010 . . . . . $4,000,000

Washington State Convention and Trade Center Account: For transfer to the state general fund, $10,000,000 for fiscal year 2011. The transfer in this section shall occur on June 30, 2011, only if by that date the Washington state convention and trade center is not transferred to a public facilities district pursuant to Substitute Senate Bill No. 6889 (convention and trade center) $10,000,000

Institutional Welfare/Betterment Account: For transfer to the state general fund, $2,000,000 for fiscal year 2010 and $2,000,000 for fiscal year 2011 . . . . . $4,000,000

Future Teacher Conditional Scholarship Account: For transfer to the state general fund, $2,150,000 for fiscal year 2010 and $2,150,000 for fiscal year 2011 . . . . . $4,300,000

Fingerprint Identification Account: For transfer

to the state general fund, $800,000 for fiscal year 2011 . . . . . $800,000

Prevent or Reduce Owner-Occupied Foreclosure Program Account: For transfer to the financial education public-private partnership account for fiscal year 2010, an amount not to exceed the actual cash balance of the fund as of June 30, 2010 . . . . . $300,000

Nisqually Earthquake Account: For transfer to the state general fund for fiscal year 2011 . . . . . ((~~$1,000,000~~)) $696,000

Disaster Response Account: For transfer to the state general fund for fiscal year 2011 . . . . . ((~~$15,000,000~~)) $14,500,000

Washington Auto Theft Prevention Account: For transfer to the state general fund, $1,500,000 for fiscal year 2011 . . . . . $1,500,000

Tourism Enterprise Account: For transfer to the state general fund, $650,000 for fiscal year 2011 . . . . . $650,000

Tourism Development and Promotion Account: For transfer to the state general fund, $205,000 for fiscal year 2011 . . . . . $205,000

Life Sciences Discovery Fund: For transfer to the basic health plan stabilization account $6,000,000

Industrial Insurance Premium Refund Account: For transfer to the state general fund, $4,500,000 for fiscal year 2011 . . . . . $4,500,000

Distressed County Assistance Account: For transfer to the state general fund, $205,000 for fiscal year 2011 . . . . . $ 205,000

State Drought Preparedness Account: For transfer to the state general fund, $4,000,000 for fiscal year 2011 . . . . . $4,000,000

Freshwater Aquatic Algae Control Account: For transfer to the state general fund, $400,000 for fiscal year 2011 . . . . . $400,000

Freshwater Aquatic Weeds Account: For transfer to the state general fund, $300,000 for fiscal

year 2011 . . . . . $300,000

Liquor Control Board Construction and Maintenance Account: For transfer to the state general fund for fiscal year 2011 . . . . . .$3,000,000

Sec. 803. 2010 1st sp.s. c 31 s 1 (uncodified) is amended to read as follows:

(1) The state treasurer shall transfer two hundred ((~~twenty-nine~~)) twenty-three million two hundred nine thousand dollars or as much of that amount as is available from the budget stabilization account to the state general fund for fiscal year 2011.

(2) The transfer in subsection (1) of this section is to minimize reductions to public school programs in the 2010 supplemental omnibus operating budget.

(End of part)

PART IX
MISCELLANEOUS

Sec. 901. 2010 1st sp.s. c 32 s 3 (uncodified) is amended to read as follows:

(1)(a) The office of financial management shall certify to each executive branch state agency and institution of higher education the compensation reduction amount to be achieved by that agency or institution. Each agency and institution shall achieve compensation expenditure reductions as provided in the omnibus appropriations act.

(b) Each executive branch state agency other than institutions of higher education may submit to the office of financial management a compensation reduction plan to achieve the cost reductions as provided in the omnibus appropriations act. The compensation reduction plan of each executive branch agency may include, but is not limited to, employee leave without pay, including additional mandatory and voluntary temporary layoffs, reductions in the agency workforce, compensation reductions, and reduced work hours, as well as voluntary retirement, separation, and other incentive programs authorized by section 912, chapter 564, Laws of 2009. The amount of compensation cost reductions to be achieved by each agency shall be adjusted to reflect voluntary and mandatory temporary layoffs at the agency during the 2009-2011 fiscal biennium and implemented prior to January 1, 2010, but not adjusted by other compensation reduction plans adopted as a result of the enactment of chapter 564, Laws of 2009, or the enactment of other compensation cost reduction measures applicable to the 2009-2011 fiscal biennium.

(c) Each institution of higher education must submit to the office of financial management a compensation and operations reduction plan to achieve at least the cost reductions as provided in the omnibus appropriations act. For purposes of the reduction plan, the state board of community and technical colleges shall submit a single plan on behalf of all community and technical colleges. The reduction plan of each institution may include, but is not limited to, employee leave without pay, including mandatory and voluntary temporary layoffs, reductions in the institution workforce, compensation reductions, and

reduced work hours, as well as voluntary retirement, separation, incentive programs authorized by section 912, chapter 564, Laws of 2009, as well as other reductions to the cost of operations. The amount of cost reductions to be achieved by each institution shall be adjusted to reflect voluntary and mandatory temporary layoffs at the institution during the 2009-2011 fiscal biennium and implemented prior to January 1, 2010, but not adjusted by other compensation reduction plans adopted as a result of the enactment of chapter 564, Laws of 2009, or the enactment of other compensation cost reduction measures applicable to the 2009-2011 fiscal biennium.

(d) The director of financial management shall review, approve, and submit to the legislative fiscal committees those executive branch state agencies and higher education institution plans that achieves the cost reductions as provided in the omnibus appropriations act. For those executive branch state agencies and institutions of higher education that do not have an approved compensation and operations reduction plan, the institution shall be closed on the dates specified in subsection (2) of this section.

(e) For each agency of the legislative branch, the chief clerk of the house of representatives and the secretary of the senate shall review and approve a plan of employee mandatory and voluntary leave for the 2009-2011 fiscal biennium that achieves the cost reductions as provided in the omnibus appropriations act. The amount of compensation cost reductions to be achieved shall be adjusted, if necessary, to reflect voluntary and mandatory temporary layoffs at the agencies during the 2009-2011 fiscal biennium and implemented prior to January 1, 2010.

(f) For each agency of the judicial branch, the supreme court shall review and approve a plan of employee mandatory and voluntary leave for the 2009-2011 fiscal biennium that achieve the cost reductions as provided in the omnibus appropriations act. The amount of compensation cost reductions to be achieved shall be adjusted, if necessary, to reflect voluntary and mandatory temporary layoffs at the agencies during the 2009-2011 fiscal biennium and implemented prior to January 1, 2010.

(2) Each state agency of the executive, legislative, and judicial branch, and any institution that does not have an approved plan in

accordance with subsection (1) of this section shall be closed on the following dates in addition to the legal holidays specified in RCW 1.16.050:

(a) Monday, July 12, 2010;

(b) Friday, August 6, 2010;

(c) Tuesday, September 7, 2010;

(d) Monday, October 11, 2010;

(e) Monday, December 27, 2010;

(f) Friday, January 28, 2011;

(g) Tuesday, February 22, 2011;

(h) Friday, March ((~~11~~)) 28, 2011;

(i) Friday, April 22, 2011;

(j) Friday, June 10, 2011.

(3) If the closure of state agencies or institutions under subsection (2) of this section prevents the performance of any action, the action shall be considered timely if performed on the next business day.

(4) The following activities of state agencies and institutions of higher education are exempt from subsections (1) and (2) of this section:

(a) Direct custody, supervision, and patient care in: (i) Corrections; (ii) juvenile rehabilitation; (iii) institutional care of veterans, or individuals with mental illness, and individuals with developmental disabilities; (iv) state hospitals, the University of Washington medical center, and Harborview medical center; (v) the special commitment center; (vi) the school for the blind; (vii) the state center for childhood deafness and hearing loss; and (viii) the Washington youth academy;

(b) Direct protective services to children and other vulnerable populations, child support enforcement, disability determination services, complaint investigators, and residential care licensors and surveyors in the department of social and health services and the department of health;

(c) Washington state patrol investigative services and field enforcement;

(d) Hazardous materials response or emergency response and cleanup;

(e) Emergency public health and patient safety response and the public health laboratory;

(f) Military operations and emergency management within the military department;

(g) Firefighting;

(h) Enforcement officers in the department of fish and wildlife, the liquor control board, the gambling commission, the department of financial institutions, and the department of natural resources;

(i) State parks operated by the parks and recreation commission;

(j) In institutions of higher education, classroom instruction, operations not funded from state funds or tuition, campus police and security, emergency management and response, work performed by student employees if the duties were not previously assigned to nonstudents during the current or prior school year, and student health care;

(k) Operations of liquor control board business enterprises and games conducted by the state lottery;

(l) Agricultural commodity commissions and boards, and agricultural inspection programs operated by the department of agriculture;

(m) The unemployment insurance program and reemployment services of the employment security department;

(n) The workers' compensation program and workplace safety and health compliance activities of the department of labor and industries;

(o) The operation, maintenance, and construction of state ferries and state highways;

(p) The department of revenue;

(q) Licensing service offices in the department of licensing that are open no more than two days per week, and no licensing service office closures may occur on Saturdays as a result of this section;

(r) The governor, lieutenant governor, legislative agencies, and the office of financial management, during sessions of the legislature under Article II, section 12 of the state Constitution and the twenty-day veto period under Article IV, section 12 of the state Constitution;

(s) The office of the attorney general, except for management and administrative functions not directly related to civil, criminal, or administrative actions;

(t) The labor relations office of the office of financial management through November 1, 2010;

(u) The minimal use of state employees on the specified closure dates as necessary to protect public assets and information technology systems, and to maintain public safety; and

(v) The operations of the office of the insurance commissioner that are funded by industry regulatory fees.

(5)(a) The closure of an office of a state agency or institution of higher education under this section shall result in the temporary layoff of the employees of the agency or institution. The compensation of the employees shall be reduced proportionately to the duration of the temporary layoff. Temporary layoffs under this section shall not affect the employees' vacation leave accrual, seniority, health insurance, or sick leave credits. For the purposes of chapter 430, Laws of 2009, the compensation reductions under this section are deemed to be an integral part of an employer's expenditure reduction efforts and shall not result in the loss of retirement benefits in any state defined benefit retirement plan for an employee whose period of average final compensation includes a portion of the period from the effective date of this section through June 30, 2011.

(b)(i) During the closure of an office or institution under this section, any employee with a monthly full-time equivalent salary of two thousand five hundred dollars or less may, at the employee's option, use accrued vacation leave in lieu of temporary layoff during the closure. Solely for this purpose, and during the 2009-2011 fiscal biennium only, the department of personnel shall adopt rules to permit employees with less than six months of continuous state employment to use accrued vacation leave.

(ii) If an employee with a monthly full-time equivalent salary of two thousand five hundred dollars or less has no accrued vacation leave, that employee may use shared leave, if approved by the agency director, and if made available through donations under RCW 41.04.665 in lieu of temporary layoff during the closure.

(6) Except as provided in subsection (4) of this section, for employees not scheduled to work on a day specified in subsection (2) of this section, the employing agency must designate an alternative day during that month on which the employee is scheduled to work that the employee will take temporary leave without pay.

(7) To the extent that the implementation of this section is subject to collective bargaining under chapter 41.80 RCW, the bargaining shall be conducted pursuant to section 4 of this act. To the extent that the implementation of this section is subject to

collective bargaining under chapters 28B.52, 41.56, 41.76, or 47.64 RCW, the bargaining shall be conducted pursuant to these chapters.

(8) For all or a portion of the employees of an agency of the executive branch, the office of financial management may approve the substitution of temporary layoffs on an alternative date during that month for any date specified in subsection (2) of this section as necessary for the critical work of any agency.

(9)(a) If any state agency of the executive, legislative, and judicial branch is unable to achieve its full amount of cost reductions as provided in the omnibus appropriations act through its approved plan in accordance with subsection (1) of this section or through ten days of temporary layoffs in accordance with subsections (2) and (8) of this section, the remaining amount is a reduction to the agency's cost of operations and may include savings as a result of sections 601 through 604 of chapter 3, Laws of 2010.

(b) If any state agency of the executive, legislative, and judicial branch is able to achieve its full amount of cost reductions as provided in the omnibus appropriations act through ten days or less of temporary layoffs in accordance with subsections (2) and (8) of this section, any residual amount of cost reductions that cannot be achieved through a full day of closure is a reduction to the agency's cost of operations and may include savings as a result of sections 601 through 604 of chapter 3, Laws of 2010.

Sec. 902. RCW 43.03.220 and 2010 1st sp.s. c 7 s 142 are each amended to read as follows:

(1) Any part-time board, commission, council, committee, or other similar group which is established by the executive, legislative, or judicial branch to participate in state government and which functions primarily in an advisory, coordinating, or planning capacity shall be identified as a class one group.

(2) Absent any other provision of law to the contrary, no money beyond the customary reimbursement or allowance for expenses may be paid by or through the state to members of class one groups for attendance at meetings of such groups.

(3) Beginning July 1, 2010, through June 30, 2011, no person designated as a member of a class one board, commission, council, committee, or similar group may receive an allowance for subsistence,

lodging, or travel expenses if the allowance cost is funded by the state general fund. Exceptions may be granted under section 605, chapter 3, Laws of 2010. Class one groups, when feasible, shall use an alternative means of conducting a meeting that does not require travel while still maximizing member and public participation and may use a meeting format that requires members to be physically present at one location only when necessary or required by law. Meetings that require a member's physical presence at one location must be held in state facilities whenever possible((~~, and~~)). Meetings conducted using private facilities must be approved by the director of the office of financial management, except for facilities provided free of charge.

(4) Beginning July 1, 2010, through June 30, 2011, class one groups that are funded by sources other than the state general fund are encouraged to reduce travel, lodging, and other costs associated with conducting the business of the group including use of other meeting formats that do not require travel.

Sec. 903. RCW 43.03.230 and 2010 1st sp.s. c 7 s 143 are each amended to read as follows:

(1) Any agricultural commodity board or commission established pursuant to Title 15 or 16 RCW shall be identified as a class two group for purposes of compensation.

(2) Except as otherwise provided in this section, each member of a class two group is eligible to receive compensation in an amount not to exceed one hundred dollars for each day during which the member attends an official meeting of the group or performs statutorily prescribed duties approved by the chairperson of the group. A person shall not receive compensation for a day of service under this section if the person (a) occupies a position, normally regarded as full-time in nature, in any agency of the federal government, Washington state government, or Washington state local government; and (b) receives any compensation from such government for working that day.

(3) Compensation may be paid a member under this section only if it is authorized under the law dealing in particular with the specific group to which the member belongs or dealing in particular with the members of that specific group.

(4) Beginning July 1, 2010, through June 30, 2011, no person designated as a member of a class two board, commission, council,

committee, or similar group may receive an allowance for subsistence, lodging, or travel expenses if the allowance cost is funded by the state general fund. Exceptions may be granted under section 605, chapter 3, Laws of 2010. Class two groups, when feasible, shall use an alternative means of conducting a meeting that does not require travel while still maximizing member and public participation and may use a meeting format that requires members to be physically present at one location only when necessary or required by law. Meetings that require a member's physical presence at one location must be held in state facilities whenever possible((~~, and~~)). Meetings conducted using private facilities must be approved by the director of the office of financial management, except for facilities provided free of charge.

(5) Beginning July 1, 2010, through June 30, 2011, class two groups that are funded by sources other than the state general fund are encouraged to reduce travel, lodging, and other costs associated with conducting the business of the group including use of other meeting formats that do not require travel.

Sec. 904. RCW 43.03.240 and 2010 1st sp.s. c 7 s 144 are each amended to read as follows:

(1) Any part-time, statutory board, commission, council, committee, or other similar group which has rule-making authority, performs quasi judicial functions, has responsibility for the administration or policy direction of a state agency or program, or performs regulatory or licensing functions with respect to a specific profession, occupation, business, or industry shall be identified as a class three group for purposes of compensation.

(2) Except as otherwise provided in this section, each member of a class three group is eligible to receive compensation in an amount not to exceed fifty dollars for each day during which the member attends an official meeting of the group or performs statutorily prescribed duties approved by the chairperson of the group. A person shall not receive compensation for a day of service under this section if the person (a) occupies a position, normally regarded as full-time in nature, in any agency of the federal government, Washington state government, or Washington state local government; and (b) receives any compensation from such government for working that day.

(3) Compensation may be paid a member under this section only if it is authorized under the law dealing in particular with the specific group to which the member belongs or dealing in particular with the members of that specific group.

(4) Beginning July 1, 2010, through June 30, 2011, no person designated as a member of a class three board, commission, council, committee, or similar group may receive an allowance for subsistence, lodging, or travel expenses if the allowance cost is funded by the state general fund. Exceptions may be granted under section 605, chapter 3, Laws of 2010. Class three groups, when feasible, shall use an alternative means of conducting a meeting that does not require travel while still maximizing member and public participation and may use a meeting format that requires members to be physically present at one location only when necessary or required by law. Meetings that require a member's physical presence at one location must be held in state facilities whenever possible((~~, and~~)). Meetings conducted using private facilities must be approved by the director of the office of financial management, except for facilities provided free of charge.

(5) Beginning July 1, 2010, through June 30, 2011, class three groups that are funded by sources other than the state general fund are encouraged to reduce travel, lodging, and other costs associated with conducting the business of the group including use of other meeting formats that do not require travel.

Sec. 905. RCW 43.03.250 and 2010 1st sp.s. c 7 s 145 are each amended to read as follows:

(1) A part-time, statutory board, commission, council, committee, or other similar group shall be identified as a class four group for purposes of compensation if the group:

(a) Has rule-making authority, performs quasi-judicial functions, or has responsibility for the administration or policy direction of a state agency or program;

(b) Has duties that are deemed by the legislature to be of overriding sensitivity and importance to the public welfare and the operation of state government; and

(c) Requires service from its members representing a significant demand on their time that is normally in excess of one hundred hours of meeting time per year.

(2) Each member of a class four group is eligible to receive compensation in an amount not to exceed one hundred dollars for each day during which the member attends an official meeting of the group or performs statutorily prescribed duties approved by the chairperson of the group. A person shall not receive compensation for a day of service under this section if the person (a) occupies a position, normally regarded as full-time in nature, in any agency of the federal government, Washington state government, or Washington state local government; and (b) receives any compensation from such government for working that day.

(3) Compensation may be paid a member under this section only if it is authorized under the law dealing in particular with the specific group to which the member belongs or dealing in particular with the members of that specific group.

(4) Beginning July 1, 2010, through June 30, 2011, class four groups, when feasible, shall use an alternative means of conducting a meeting that does not require travel while still maximizing member and public participation and may use a meeting format that requires members to be physically present at one location only when necessary or required by law. Meetings that require a member's physical presence at one location must be held in state facilities whenever possible((~~, and~~)). Meetings conducted using private facilities must be approved by the director of the office of financial management, except for facilities provided free of charge.

Sec. 906. RCW 43.03.265 and 2010 1st sp.s. c 7 s 146 are each amended to read as follows:

(1) Any part-time commission that has rule-making authority, performs quasi-judicial functions, has responsibility for the policy direction of a health profession credentialing program, and performs regulatory and licensing functions with respect to a health care profession licensed under Title 18 RCW shall be identified as a class five group for purposes of compensation.

(2) Except as otherwise provided in this section, each member of a class five group is eligible to receive compensation in an amount not to exceed two hundred fifty dollars for each day during which the member attends an official meeting of the group or performs statutorily prescribed duties approved by the chairperson of the group. A person

shall not receive compensation for a day of service under this section if the person (a) occupies a position, normally regarded as full-time in nature, in any agency of the federal government, Washington state government, or Washington state local government; and (b) receives any compensation from such government for working that day.

(3) Compensation may be paid a member under this section only if it is necessarily incurred in the course of authorized business consistent with the responsibilities of the commission established by law.

(4) Beginning July 1, 2010, through June 30, 2011, no person designated as a member of a class five board, commission, council, committee, or similar group may receive an allowance for subsistence, lodging, or travel expenses if the allowance cost is funded by the state general fund. Exceptions may be granted under section 605, chapter 3, Laws of 2010. Class five groups, when feasible, shall use an alternative means of conducting a meeting that does not require travel while still maximizing member and public participation and may use a meeting format that requires members to be physically present at one location only when necessary or required by law. Meetings that require a member's physical presence at one location must be held in state facilities whenever possible((~~, and~~)). Meetings conducted using private facilities must be approved by the director of the office of financial management, except for facilities provided free of charge.

(5) Beginning July 1, 2010, through June 30, 2011, class five groups that are funded by sources other than the state general fund are encouraged to reduce travel, lodging, and other costs associated with conducting the business of the group including use of other meeting formats that do not require travel.

Sec. 907. RCW 43.21A.660 and 1999 c 251 s 1 are each amended to read as follows:

Funds in the freshwater aquatic weeds account may be appropriated to the department of ecology to develop a freshwater aquatic weeds management program. Funds shall be expended as follows:

(1) No less than two-thirds of the appropriated funds shall be issued as grants to (a) cities, counties, tribes, special purpose districts, and state agencies to prevent, remove, reduce, or manage excessive freshwater aquatic weeds; (b) fund demonstration or pilot projects consistent with the purposes of this section; and (c) fund

hydrilla eradication activities in waters of the state. Except for hydrilla eradication activities, such grants shall only be issued for lakes, rivers, or streams with a public boat launching ramp or which are designated by the department of fish and wildlife for fly-fishing. The department shall give preference to projects having matching funds or in-kind services; ((~~and~~))

(2) No more than one-third of the appropriated funds shall be expended to:

(a) Develop public education programs relating to preventing the propagation and spread of freshwater aquatic weeds; and

(b) Provide technical assistance to local governments and citizen groups; and

(3) During the 2009-2011 fiscal biennium, the legislature may transfer from the freshwater aquatic weeds account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 908. RCW 43.21A.667 and 2009 c 564 s 933 are each amended to read as follows:

(1) The freshwater aquatic algae control account is created in the state treasury. Moneys directed to the account from RCW ((~~88.02.050~~)) 88.02.560 must be deposited in the account. Expenditures from the account may only be used as provided in this section. Moneys in the account may be spent only after appropriation.

(2) Funds in the freshwater aquatic algae control account may be appropriated to the department to develop a freshwater aquatic algae control program. Funds must be expended as follows:

(a) As grants to cities, counties, tribes, special purpose districts, and state agencies to manage excessive freshwater algae, with priority for the treatment of lakes in which harmful algal blooms have occurred within the past three years; and during the 2009-2011 fiscal biennium to provide grants for sea lettuce research and removal to assist Puget Sound communities that are impacted by hyperblooms of sea lettuce; ((~~and~~))

(b) To provide technical assistance to applicants and the public about aquatic algae control; and

(c) During the 2009-2011 fiscal biennium, the legislature may transfer from the freshwater aquatic algae control account to the state

general fund such amounts as reflect the excess fund balance of the account.

(3) The department shall submit a biennial report to the appropriate legislative committees describing the actions taken to implement this section along with suggestions on how to better fulfill the intent of chapter 464, Laws of 2005. The first report is due December 1, 2007.

Sec. 909. RCW 43.79.460 and 2010 1st sp.s. c 37 s 928 are each amended to read as follows:

(1) The savings incentive account is created in the custody of the state treasurer. The account shall consist of all moneys appropriated to the account by the legislature. The account is subject to the allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures from the account.

(2) Within the savings incentive account, the state treasurer may create subaccounts to be credited with incentive savings attributable to individual state agencies, as determined by the office of financial management in consultation with the legislative fiscal committees. Moneys deposited in the subaccounts may be expended only on the authorization of the agency's executive head or designee and only for the purpose of one-time expenditures to improve the quality, efficiency, and effectiveness of services to customers of the state, such as one-time expenditures for employee training, employee incentives, technology improvements, new work processes, or performance measurement. Funds may not be expended from the account to establish new programs or services, expand existing programs or services, or incur ongoing costs that would require future expenditures.

(3) For purposes of this section, "incentive savings" means state general fund appropriations that are unspent as of June 30th of a fiscal year, excluding any amounts included in across-the-board reductions under RCW 43.88.110 and excluding unspent appropriations for:

(a) Caseload and enrollment in entitlement programs, except to the extent that an agency has clearly demonstrated that efficiencies have been achieved in the administration of the entitlement program. "Entitlement program," as used in this section, includes programs for

which specific sums of money are appropriated for pass-through to third parties or other entities;

(b) Enrollments in state institutions of higher education;

(c) A specific amount contained in a condition or limitation to an appropriation in the biennial appropriations act, if the agency did not achieve the specific purpose or objective of the condition or limitation;

(d) Debt service on state obligations; and

(e) State retirement system obligations.

(4) The office of financial management, after consulting with the legislative fiscal committees, shall report the amount of savings incentives achieved.

(5) ((~~For fiscal year 2009, the legislature may transfer from the savings incentive account to the state general fund such amounts as reflect the fund balance of the account attributable to unspent state general fund appropriations for fiscal year 2008.~~)) For fiscal year 2010, the legislature may transfer from the savings incentive account to the state general fund such amounts as reflect the fund balance of the account attributable to unspent state general fund appropriations for fiscal year 2009. <u>For fiscal year 2011, the legislature may transfer from the savings incentive account to the state general fund such amounts as reflect the fund balance of the account attributable to unspent state general fund appropriations for fiscal year 2010. For fiscal year 2011, the legislature may transfer from the savings incentive account to the state general fund eight million dollars or as much as reflects the fund balance of the account attributable to unspent agency credits prior to fiscal year 2009. Credits for legislative and judicial agencies are not included in this action, with the exception and upon consent of the supreme court, court of appeals, office of public defense, and office of civil legal aid.</u>

Sec. 910. RCW 43.79.465 and 2010 1st sp.s. c 37 s 929 are each amended to read as follows:

The education savings account is created in the state treasury. The account shall consist of all moneys appropriated to the account by the legislature.

(1) Ten percent of legislative appropriations to the education savings account shall be distributed as follows: (a) Fifty percent to

the distinguished professorship trust fund under RCW 28B.76.565; (b) seventeen percent to the graduate fellowship trust fund under RCW 28B.76.610; and (c) thirty-three percent to the college faculty awards trust fund under RCW 28B.50.837.

(2) The remaining moneys in the education savings account may be appropriated solely for (a) common school construction projects that are eligible for funding from the common school construction account, (b) technology improvements in the common schools, (c) during the 2001-03 fiscal biennium, technology improvements in public higher education institutions, (d) during the 2007-2009 fiscal biennium, the legislature may transfer from the education savings account to the state general fund such amounts as reflect the excess fund balance of the account attributable to unspent state general fund appropriations for fiscal year 2008, and (e) for fiscal year ((~~2010~~)) 2011, the legislature may transfer from the education savings account to the state general fund such amounts as reflect the fund balance of the account attributable to unspent general fund appropriations for fiscal year ((~~2009~~)) 2010.

Sec. 911. RCW 43.83B.430 and 2002 c 371 s 910 are each amended to read as follows:

The state drought preparedness account is created in the state treasury. All receipts from appropriated funds designated for the account and funds transferred from the state emergency water projects revolving account must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for drought preparedness. During the ((~~2001-2003~~)) 2009-2011 fiscal biennium, the legislature may transfer from the state drought preparedness account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 912. RCW 43.105.080 and 2010 1st sp.s. c 37 s 931 are each amended to read as follows:

There is created a revolving fund to be known as the data processing revolving fund in the custody of the state treasurer. The revolving fund shall be used for the acquisition of equipment, software, supplies, and services and the payment of salaries, wages, and other costs incidental to the acquisition, development, operation, and administration of information services, telecommunications,

systems, software, supplies and equipment, including the payment of principal and interest on bonds issued for capital projects, by the department, Washington State University's computer services center, the department of personnel's personnel information systems division, the office of financial management's financial systems management group, and other users as jointly determined by the department and the office of financial management. The revolving fund is subject to the allotment procedure provided under chapter 43.88 RCW. Disbursements from the revolving fund for the services component of the department are not subject to appropriation. Disbursements for the strategic planning and policy component of the department are subject to appropriation. All disbursements from the fund are subject to the allotment procedures provided under chapter 43.88 RCW. The department shall establish and implement a billing structure to assure all agencies pay an equitable share of the costs.

During the 2009-2011 fiscal biennium, the legislature may transfer from the data processing revolving account to the state general fund such amounts as reflect the excess fund balance ((~~associated with the information technology pool~~)).

As used in this section, the word "supplies" shall not be interpreted to delegate or abrogate the division of purchasing's responsibilities and authority to purchase supplies as described in RCW 43.19.190 and 43.19.200.

Sec. 913. RCW 43.330.094 and 2009 c 565 s 6 are each amended to read as follows:

The tourism development and promotion account is created in the state treasury. All receipts from RCW 36.102.060(10) must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used by the department of commerce only for the purposes of expanding and promoting the tourism industry in the state of Washington. <u>During the 2009-2011 fiscal biennium, the legislature may transfer from the tourism development and promotion account to the state general fund such amounts as reflect the excess fund balance of the account.</u>

Sec. 914. RCW 43.336.050 and 2007 c 228 s 105 are each amended to read as follows:

The tourism enterprise account is created in the custody of the state treasurer.

(1) All receipts from RCW 43.336.030(2)(a) must be deposited into the account. Only the executive director or the executive director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(2) Moneys transferred from the state convention and trade ((~~[center]~~)) center account to this account((~~, as provided in RCW 67.40.040,~~)) shall be available for expenditure in accordance with the requirements of this section. As provided under subsection (3) of this section, moneys must be matched with private sector cash contributions, the value of an advertising equivalency contribution, or through an in-kind contribution. The commission shall determine criteria for what qualifies as an in-kind contribution. The moneys subject to match may be expended as private match is received or with evidence of qualified expenditure.

(3)(a) Twenty-five percent of the moneys transferred in fiscal year 2009 are subject to a match;

(b) Fifty percent of the moneys transferred in fiscal year 2010 are subject to a match; and

(c) One hundred percent of the moneys transferred in fiscal year 2011, and thereafter, are subject to a match.

(4) Expenditures from the account may be used by the department of ((~~community, trade, and economic development~~)) commerce only for the purposes of expanding and promoting the tourism industry in the state of Washington.

(5) During the 2009-2011 fiscal biennium, the legislature may transfer from the tourism enterprise account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 915. RCW 46.66.080 and 2009 c 564 s 945 are each amended to read as follows:

(1) The Washington auto theft prevention authority account is created in the state treasury, subject to appropriation. All revenues from the traffic infraction surcharge in RCW 46.63.110(7)(b) and all receipts from gifts, grants, bequests, devises, or other funds from public and private sources to support the activities of the auto theft

prevention authority must be deposited into the account. Expenditures from the account may be used only for activities relating to motor vehicle theft, including education, prevention, law enforcement, investigation, prosecution, and confinement. During the 2009-2011 fiscal biennium, the legislature may appropriate moneys from the Washington auto theft prevention authority account for criminal justice purposes and community building <u>and may transfer funds to the state general fund such amounts as reflect the excess fund balance of the account</u>.

(2) The authority shall allocate moneys appropriated from the account to public agencies for the purpose of establishing, maintaining, and supporting programs that are designed to prevent motor vehicle theft, including:

(a) Financial support to prosecution agencies to increase the effectiveness of motor vehicle theft prosecution;

(b) Financial support to a unit of local government or a team consisting of units of local governments to increase the effectiveness of motor vehicle theft enforcement;

(c) Financial support for the procurement of equipment and technologies for use by law enforcement agencies for the purpose of enforcing motor vehicle theft laws; and

(d) Financial support for programs that are designed to educate and assist the public in the prevention of motor vehicle theft.

(3) The costs of administration shall not exceed ten percent of the moneys in the account in any one year so that the greatest possible portion of the moneys available to the authority is expended on combating motor vehicle theft.

(4) Prior to awarding any moneys from the Washington auto theft prevention authority account for motor vehicle theft enforcement, the auto theft prevention authority must verify that the financial award includes sufficient funding to cover proposed activities, which include, but are not limited to: (a) State, municipal, and county offender and juvenile confinement costs; (b) administration costs; (c) law enforcement costs; (d) prosecutor costs; and (e) court costs, with a priority being given to ensuring that sufficient funding is available to cover state, municipal, and county offender and juvenile confinement costs.

(5) Moneys expended from the Washington auto theft prevention authority account under subsection (2) of this section shall be used to supplement, not supplant, other moneys that are available for motor vehicle theft prevention.

(6) Grants provided under subsection (2) of this section constitute reimbursement for purposes of RCW 43.135.060(1).

Sec. 916. RCW 43.350.070 and 2005 c 424 s 8 are each amended to read as follows:

The life sciences discovery fund is created in the custody of the state treasurer. Only the board or the board's designee may authorize expenditures from the fund. Expenditures from the fund may be made only for purposes of this chapter. Administrative expenses of the authority, including staff support, may be paid only from the fund. Revenues to the fund consist of transfers made by the legislature from strategic contribution payments deposited in the tobacco settlement account under RCW 43.79.480, moneys received pursuant to contribution agreements entered into pursuant to RCW 43.350.030, moneys received from gifts, grants, and bequests, and interest earned on the fund. <u>During the 2009-2011 fiscal biennium, the legislature may transfer to other state funds or accounts such amounts as represent the excess balance of the life sciences discovery fund.</u>

Sec. 917. RCW 51.44.170 and 2003 1st sp.s. c 25 s 926 are each amended to read as follows:

The industrial insurance premium refund account is created in the custody of the state treasurer. All industrial insurance refunds earned by state agencies or institutions of higher education under the state fund retrospective rating program shall be deposited into the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures from the account. Only the executive head of the agency or institution of higher education, or designee, may authorize expenditures from the account. No agency or institution of higher education may make an expenditure from the account for an amount greater than the refund earned by the agency. If the agency or institution of higher education has staff dedicated to workers' compensation claims management, expenditures from the account must be used to pay for that staff, but

additional expenditure from the account may be used for any program within an agency or institution of higher education that promotes or provides incentives for employee workplace safety and health and early, appropriate return-to-work for injured employees. During the ((~~2003-2005~~)) 2009-2011 fiscal biennium, the legislature may transfer from the industrial insurance premium refund account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 918. RCW 66.08.190 and 2003 1st sp.s. c 25 s 927 are each amended to read as follows:

(1) Except ((~~for revenues generated by the 2003 surcharge of $0.42/liter on retail sales of spirits that shall be distributed to the state general fund during the 2003-2005 biennium~~)) as provided in subsection (4) of this section, when excess funds are distributed, all moneys subject to distribution shall be disbursed as follows:

(a) Three-tenths of one percent to border areas under RCW 66.08.195; and

(b) From the amount remaining after distribution under (a) of this subsection, (i) fifty percent to the general fund of the state, (ii) ten percent to the counties of the state, and (iii) forty percent to the incorporated cities and towns of the state.

(2) During the months of June, September, December, and March of each year, prior to disbursing the distribution to incorporated cities and towns under subsection (1)(b) of this section, the treasurer shall deduct from that distribution an amount that will fund that quarter's allotments under RCW 43.88.110 from any legislative appropriation from the city and town research services account. The treasurer shall deposit the amount deducted into the city and town research services account.

(3) The governor may notify and direct the state treasurer to withhold the revenues to which the counties and cities are entitled under this section if the counties or cities are found to be in noncompliance pursuant to RCW 36.70A.340.

(4) The final quarterly distributions for fiscal year 2011 to be distributed to cities and counties under subsection (1)(b)(ii) and (iii) of this section shall be reduced by six million dollars, and six million dollars must be deposited into the Washington auto theft prevention authority account to be used for criminal justice training.

Sec. 919. RCW 66.08.235 and 2005 c 151 s 4 are each amended to read as follows:

The liquor control board construction and maintenance account is created within the state treasury. The liquor control board shall deposit into this account a portion of the board's markup, as authorized by chapter 66.16 RCW, placed upon liquor as determined by the board. Moneys in the account may be spent only after appropriation. The liquor control board shall use deposits to this account to fund construction and maintenance of a centralized distribution center for liquor products intended for sale through the board's liquor store and contract liquor store system. During the ((~~2001-2003~~)) 2009-2011 fiscal biennium, the legislature may transfer from the liquor control board construction and maintenance account to the state general fund such amounts as reflect the ((~~appropriations reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings~~)) excess fund balance in the account.

Sec. 920. RCW 82.14.380 and 1999 c 311 s 201 are each amended to read as follows:

(1) The distressed county assistance account is created in the state treasury. Into this account shall be placed a portion of all motor vehicle excise tax receipts as provided in RCW 82.44.110. At such times as distributions are made under RCW 82.44.150, the state treasurer shall distribute the funds in the distressed county assistance account to each county imposing the sales and use tax authorized under RCW 82.14.370 as of January 1, 1999, in the same proportions as distributions of the tax imposed under RCW 82.14.370 for these counties for the previous quarter.

(2) Funds distributed from the distressed county assistance account shall be expended by the counties for criminal justice and other purposes. During the 2009-2011 fiscal biennium, the legislature may transfer from the distressed county assistance account to the state general fund such amounts as reflect the excess fund balance of the account.

NEW SECTION. **Sec. 921.** If any provision of this act or its

application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 922.** 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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ESHB 1086 - S COMM AMD
By Committee on Ways & Means

On page 1, line 1 of the title, after "matters;" strike the remainder of the title and insert "amending RCW 43.03.220, 43.03.230, 43.03.240, 43.03.250, 43.03.265, 43.21A.660, 43.21A.667, 43.79.460, 43.79.465, 43.83B.430, 43.105.080, 43.330.094, 43.336.050, 46.66.080, 43.350.070, 51.44.170,66.08.190, 66.08.235, and 82.14.380; amending

2010 2nd sp.s. c 1 ss 105, 109, 114, 115, 117, 118, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 302, 303, 304, 307, 308, 309, 310, 501, 502, 503, 602, 603, 604, 605, 606, 607, and 801 (uncodified); amending 2010 1st sp.s. c 37 ss 103, 106, 107, 118, 120, 121, 123, 124, 126, 127, 128, 130, 133, 134, 138, 141, 142, 146, 148, 150, 151, 153, 213, 215, 217, 218, 219, 220, 224, 225, 226, 401, 402, 505, 506, 507, 508, 511, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 705, 707, 711, and 801 (uncodified); amending 2010 1st sp.s. c 32 s 3 (uncodified); amending 2010 1st sp.s. c 31 s 1 (uncodified); amending 2009 c 564 s 711 (uncodified); adding new sections to 2009 c 564 (uncodified); making appropriations; and declaring an emergency."

--- END ---