2012 Supplemental Operating Budget

PSHB 2127

February 21, 2012

Representative Hunter, Chair
House Ways and Means Committee

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

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

PART I
GENERAL GOVERNMENT

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

FOR THE HOUSE OF REPRESENTATIVES

General Fund--State Appropriation (FY 2012) . . . . . ((~~$29,934,000~~))
$29,736,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$30,465,000~~))
$28,425,000

Motor Vehicle Account--State Appropriation $1,316,000

TOTAL APPROPRIATION . . . . . ((~~$61,715,000~~))
$59,477,000

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

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

FOR THE SENATE

General Fund--State Appropriation (FY 2012) . . . . . ((~~$21,770,000~~))
$21,458,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$23,864,000~~))
$21,938,000

Motor Vehicle Account--State Appropriation $1,400,000

TOTAL APPROPRIATION . . . . . ((~~$47,034,000~~))
$44,796,000

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

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

FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE

General Fund--State Appropriation (FY 2012) . . . . . .((~~$2,680,000~~))

$2,592,000

General Fund--State Appropriation (FY 2013) . . . . . .((~~$2,741,000~~))
$2,558,000

Medical Aid Account--State Appropriation $85,000

Accident Account--State Appropriation $85,000

TOTAL APPROPRIATION . . . . . .((~~$5,591,000~~))
$5,320,000

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 2011-13 work plan as necessary to efficiently manage workload.

(2) 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 rates.

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

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

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

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

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

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

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

FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE

General Fund--State Appropriation (FY 2012) . . . . . ((~~$2,027,000~~))
$1,940,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$2,193,000~~))
$2,106,000

TOTAL APPROPRIATION . . . . . ((~~$4,220,000~~))
$4,046,000

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

FOR THE OFFICE OF THE STATE ACTUARY

((~~General Fund--State Appropriation (FY 2012) . . . . . $24,000~~
~~General Fund--State Appropriation (FY 2013) . . . . . $24,000~~))

Department of Retirement Systems Expense
Account--State Appropriation $3,344,000

((~~TOTAL APPROPRIATION . . . . . $3,392,000~~))

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

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

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

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

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

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

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

FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE

General Fund--State Appropriation (FY 2012) . . . . . .((~~$8,016,000~~))
<u>$7,753,000</u>

General Fund--State Appropriation (FY 2013) . . . . . .((~~$7,911,000~~))
<u>$7,602,000</u>

TOTAL APPROPRIATION . . . . . ((~~$15,927,000~~))
<u>$15,355,000</u>

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

FOR THE STATUTE LAW COMMITTEE

General Fund--State Appropriation (FY 2012) . . . . . .((~~$4,248,000~~))

$4,188,000

General Fund--State Appropriation (FY 2013) . . . . . .((~~$4,689,000~~))

$4,491,000

TOTAL APPROPRIATION . . . . . ((~~$8,937,000~~))

$8,679,000

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

FOR THE REDISTRICTING COMMISSION

General Fund--State Appropriation (FY 2012) $1,627,000

General Fund--State Appropriation (FY 2013) $154,000

TOTAL APPROPRIATION $1,781,000

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

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

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

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

FOR THE OFFICE OF LEGISLATIVE SUPPORT SERVICES

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

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

FOR THE SUPREME COURT

General Fund--State Appropriation (FY 2012) . . . . . .((~~$6,724,000~~))

$6,695,000

General Fund--State Appropriation (FY 2013) . . . . . .((~~$6,738,000~~))

$6,693,000

TOTAL APPROPRIATION . . . . . ((~~$13,462,000~~))

$13,388,000

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

FOR THE ADMINISTRATOR FOR THE COURTS

General Fund--State Appropriation (FY 2012) . . . . . ((~~$50,692,000~~)) $47,712,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$50,235,000~~)) $39,268,000

General Fund--Federal Appropriation $2,532,000

General Fund--Private/Local Appropriation $390,000

Judicial Information Systems Account--State Appropriation $42,414,000

Judicial Stabilization Trust Account--State Appropriation . . . . . ((~~$5,414,000~~)) $5,654,000

TOTAL APPROPRIATION . . . . . ((~~$151,677,000~~)) $137,970,000

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

(1) ((~~$1,800,000~~)) $1,350,000 of the general fund--state appropriation for fiscal year 2012 ((~~and $1,800,000 of the general fund--state appropriation for fiscal year 2013 are~~)) is 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~~)) $6,952,000 of the general fund--state appropriation for fiscal year 2012 ((~~and $8,253,000 of the general fund--state appropriation for fiscal year 2013 are~~)) is 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 2011-2013 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 and senate ways and means committees 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) $265,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for the office of public guardianship to provide guardianship services for low-income incapacitated persons.

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

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

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

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

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

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

FOR THE OFFICE OF PUBLIC DEFENSE

General Fund--State Appropriation (FY 2012) . . . . . ((~~$25,030,000~~))
$22,746,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$24,972,000~~))
$21,916,000

Judicial Stabilization Trust Account--State
Appropriation . . . . . ((~~$2,490,000~~))
$3,770,000

TOTAL APPROPRIATION . . . . . ((~~$52,492,000~~))
$48,432,000

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

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

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

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

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

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

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

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

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

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

FOR THE OFFICE OF CIVIL LEGAL AID

General Fund--State Appropriation (FY 2012) . . . . . ((~~$11,038,000~~))
$10,900,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$11,048,000~~))
$10,496,000

Judicial Stabilization Trust Account--State
Appropriation $1,093,000

TOTAL APPROPRIATION . . . . . ((~~$23,179,000~~))

$22,489,000

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

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

FOR THE OFFICE OF THE GOVERNOR

General Fund--State Appropriation (FY 2012) . . . . . ((~~$5,311,000~~))
$5,247,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$5,292,000~~))
$5,291,000

Economic Development Strategic Reserve Account--State
Appropriation $1,500,000

TOTAL APPROPRIATION . . . . . ((~~$12,103,000~~))
$12,038,000

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

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

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

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

FOR THE LIEUTENANT GOVERNOR

General Fund--State Appropriation (FY 2012) . . . . . ((~~$687,000~~))
$678,000

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

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

FOR THE PUBLIC DISCLOSURE COMMISSION

General Fund--State Appropriation (FY 2012) . . . . . .((~~$2,106,000~~))
$2,080,000
General Fund--State Appropriation (FY 2013) . . . . . .((~~$2,129,000~~))
$2,023,000
TOTAL APPROPRIATION . . . . . .((~~$4,235,000~~))
$4,103,000

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

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

FOR THE SECRETARY OF STATE

General Fund--State Appropriation (FY 2012) . . . . . ((~~$16,014,000~~))
$16,069,000
General Fund--State Appropriation (FY 2013) . . . . . ((~~$12,862,000~~))
$12,806,000
General Fund--Federal Appropriation $7,338,000
Public Records Efficiency, Preservation, and Access
Account--State Appropriation . . . . . ((~~$7,950,000~~))
$7,156,000
Charitable Organization Education Account--State
Appropriation . . . . . ((~~$452,000~~))
$362,000
Local Government Archives Account--State
Appropriation . . . . . ((~~$10,557,000~~))

$8,557,000

Election Account--Federal Appropriation $17,288,000

Washington State Heritage Center Account--State Appropriation $1,028,000

TOTAL APPROPRIATION . . . . . ((~~$73,489,000~~)) $70,604,000

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

(1) $3,898,000 of the general fund--state appropriation for fiscal year 2012 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) $1,847,000 of the general fund--state appropriation for fiscal year 2012 and $1,926,000 of the general fund--state appropriation for fiscal year 2013 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 2011-2013 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) Any reductions to funding for the Washington talking book and Braille library may not exceed in proportion any reductions taken to the funding for the library as a whole.

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

FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS

General Fund--State Appropriation (FY 2012) . . . . . ((~~$259,000~~))
$256,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$267,000~~))
$254,000

TOTAL APPROPRIATION . . . . . ((~~$526,000~~))
$510,000

The appropriations in this section are subject to the following conditions and limitations: The office shall assist the department of enterprise services 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 enterprise services shall be responsible for all of the administrative aspects of the training, including the billing and collection of the fees for the training.

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

FOR THE COMMISSION ON ASIAN PACIFIC AMERICAN AFFAIRS

General Fund--State Appropriation (FY 2012) . . . . . ((~~$236,000~~))

$233,000

General Fund--State Appropriation (FY 2013) . . . . . .((~~$219,000~~))

$208,000

TOTAL APPROPRIATION . . . . . ((~~$455,000~~))

$441,000

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

FOR THE STATE TREASURER

State Treasurer's Service Account--State

Appropriation $14,994,000

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

FOR THE STATE AUDITOR

State Auditing Services Revolving Account--State

Appropriation . . . . . ((~~$10,293,000~~))

$9,253,000

Performance Audit of Government Account--State

Appropriation $1,461,000

TOTAL APPROPRIATION . . . . . ((~~$11,754,000~~))

$10,714,000

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) $1,461,000 of the performance audits of government account appropriation is 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.

Sec. 122. 2011 1st sp.s. c 50 s 124 (uncodified) is amended to read as follows:

FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS

General Fund--State Appropriation (FY 2012) . . . . . ((~~$158,000~~))
$149,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$195,000~~))
$186,000

TOTAL APPROPRIATION . . . . . ((~~$353,000~~))
$335,000

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

FOR THE ATTORNEY GENERAL

General Fund--State Appropriation (FY 2012) $4,758,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$2,727,000~~))
$8,470,000

General Fund--Federal Appropriation $8,819,000

New Motor Vehicle Arbitration Account--State
Appropriation $972,000

Legal Services Revolving Account--State
Appropriation . . . . . ((~~$206,617,000~~))
$195,370,000

Tobacco Prevention and Control Account--State
Appropriation $270,000

TOTAL APPROPRIATION . . . . . ((~~$224,163,000~~))
$218,659,000

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

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

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

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

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

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

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

(7) 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.

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

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

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

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

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

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

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

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

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

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

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

FOR THE CASELOAD FORECAST COUNCIL

General Fund--State Appropriation (FY 2012) . . . . . .((~~$1,310,000~~))
$1,292,000

General Fund--State Appropriation (FY 2013) . . . . . .((~~$1,309,000~~))
$1,241,000

TOTAL APPROPRIATION . . . . . ((~~$2,619,000~~))
$2,533,000

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

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

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

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

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

FOR THE DEPARTMENT OF COMMERCE

General Fund--State Appropriation (FY 2012) . . . . . ((~~$57,261,000~~))
$56,012,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$72,459,000~~))
$64,920,000

General Fund--Federal Appropriation . . . . . .((~~$282,185,000~~))
$338,870,000

General Fund--Private/Local Appropriation . . . . . ((~~$4,989,000~~))
$4,988,000

Public Works Assistance Account--State
Appropriation $2,764,000

Drinking Water Assistance Administrative
Account--State Appropriation $437,000

Lead Paint Account--State Appropriation $65,000

Building Code Council Account--State Appropriation $13,000

Home Security Fund Account--State Appropriation . . . . ((~~$16,652,000~~))
$21,032,000

Affordable Housing for All Account--State
Appropriation $11,902,000

County Research Services Account--State
Appropriation . . . . . ((~~$1,081,000~~))
$783,000

Financial Fraud and Identity Theft Crimes Investigation
and Prosecution Account--State Appropriation $1,166,000

Low-Income Weatherization Assistance Account--State
Appropriation . . . . . ((~~$5,778,000~~))
$2,430,000

City and Town Research Services Account--State
Appropriation . . . . . ((~~$5,166,000~~))
$2,578,000

((~~Manufacturing Innovation and Modernization
Account--State Appropriation . . . . . $61,000~~))

Community and Economic Development Fee Account--State Appropriation . . . . . ((~~$6,488,000~~)) $6,786,000

Washington Housing Trust Account--State Appropriation $17,498,000

Prostitution Prevention and Intervention Account--State Appropriation $86,000

Public Facility Construction Loan Revolving Account--State Appropriation $755,000

Washington Community Technology Opportunity Account--State Appropriation $713,000

Liquor Revolving Account--State Appropriation $2,317,000

TOTAL APPROPRIATION . . . . . ((~~$487,519,000~~)) $536,115,000

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

(1) Repayments of outstanding mortgage and rental assistance program loans administered by the department under RCW 43.63A.640 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.

(2) ((~~$500,000~~)) $470,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$500,000~~)) $320,000 of the general fund--state appropriation for fiscal year 2013 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.

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

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

(5) $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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL

General Fund--State Appropriation (FY 2012) . . . . . ((~~$674,000~~))
$665,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$728,000~~))
$693,000

Lottery Administrative Account--State Appropriation $50,000

TOTAL APPROPRIATION . . . . . ((~~$1,452,000~~))
$1,408,000

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

FOR THE OFFICE OF FINANCIAL MANAGEMENT

General Fund--State Appropriation (FY 2012) . . . . . ((~~$18,627,000~~))
$17,220,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$18,851,000~~))
$17,062,000

General Fund--Federal Appropriation $31,534,000

General Fund--Private/Local Appropriation . . . . . ((~~$1,270,000~~))
$1,370,000

Performance Audits of Government Account--
State Appropriation $25,000

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

Department of Personnel Services--State
Appropriation . . . . . ((~~$7,827,000~~))
$8,597,000

Data Processing Revolving Account--State
Appropriation . . . . . ((~~$5,208,000~~))
$4,936,000
Higher Education Personnel Services Account--State
Appropriation $1,537,000
Aquatic Lands Enhancement Account--State Appropriation $100,000
TOTAL APPROPRIATION . . . . . ((~~$85,259,000~~))
$82,661,000

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

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

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

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

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

(a) The report on the initiation of the process must document:

(i) Ownership issues, including consultation with the federal

government about its current legal requirements associated with the island;

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

(iii) Tribal treaty interests;

(iv) Fish and wildlife species and their habitats;

(v) Land use and public safety needs;

(vi) Recreational opportunities for the general public;

(vii) Historic and archaeological resources; and

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

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

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

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

(i) Federal agencies with relevant responsibilities;

(ii) Tribal governments;

(iii) State agencies;

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

(v) Interested private organizations and individuals.

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

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

Sec. 128. 2011 2nd sp.s. c 9 s 119 (uncodified) is amended to read as follows:

FOR THE OFFICE OF ADMINISTRATIVE HEARINGS

Administrative Hearings Revolving Account--State

Appropriation . . . . . ((~~$34,043,000~~))

$34,783,000

The appropriation in this section is subject to the following conditions and limitations: $769,000 of the administrative hearings revolving account--state appropriation is provided solely to implement Engrossed Substitute Senate Bill No. 5921 (social services programs). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

Sec. 129. 2011 2nd sp.s. c 9 s 120 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE LOTTERY

Lottery Administrative Account--State

Appropriation . . . . . ((~~$25,709,000~~))

$24,908,000

Sec. 130. 2011 1st sp.s. c 50 s 132 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON HISPANIC AFFAIRS

General Fund--State Appropriation (FY 2012) . . . . . .((~~$246,000~~))

$243,000

General Fund--State Appropriation (FY 2013) . . . . . .((~~$250,000~~))

$237,000

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

$480,000

Sec. 131. 2011 1st sp.s. c 50 s 133 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS

General Fund--State Appropriation (FY 2012) . . . . . .((~~$239,000~~))

$227,000

General Fund--State Appropriation (FY 2013) . . . . . .((~~$238,000~~))

$226,000

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

$453,000

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

FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--OPERATIONS

Department of Retirement Systems Expense

Account--State Appropriation . . . . . .((~~$47,049,000~~))

$47,112,000

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

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

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

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

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

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

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

FOR THE DEPARTMENT OF REVENUE

General Fund--State Appropriation (FY 2012) . . . . . ((~~$100,927,000~~))
$100,924,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$100,801,000~~))
$100,796,000

Timber Tax Distribution Account--State Appropriation $5,940,000

Waste Reduction/Recycling/Litter Control--State
Appropriation $129,000

Waste Tire Removal Account--State Appropriation $2,000

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

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

Master License Fund--State Appropriation $14,012,000

Vehicle License Fraud Account--State Appropriation $5,000

Performance Audits of Government Account--State
Appropriation $3,188,000

TOTAL APPROPRIATION . . . . . .((~~$225,110,000~~))
$225,102,000

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

FOR THE BOARD OF TAX APPEALS

General Fund--State Appropriation (FY 2012) . . . . . .((~~$1,241,000~~))
$1,225,000

General Fund--State Appropriation (FY 2013) . . . . . .((~~$1,219,000~~))
$1,158,000

TOTAL APPROPRIATION . . . . . ((~~$2,460,000~~))
$2,383,000

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

FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES

OMWBE Enterprises Account--State Appropriation . . . . . ((~~$3,264,000~~))
$3,596,000

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

FOR THE INSURANCE COMMISSIONER

General Fund--Federal Appropriation $4,452,000

Insurance Commissioners Regulatory Account--State
Appropriation . . . . . ((~~$47,514,000~~))
$47,958,000
TOTAL APPROPRIATION . . . . . ((~~$51,966,000~~))
$52,410,000

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

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

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

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

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

FOR THE LIQUOR CONTROL BOARD

Liquor Control Board Construction and Maintenance
Account--State Appropriation . . . . . ((~~$10,081,000~~))
$3,059,000
Liquor Revolving Account--State Appropriation . . . . ((~~$176,238,000~~))
$173,184,000
General Fund--Federal Appropriation . . . . . ((~~$120,000~~))
$945,000
General Fund--Private/Local Appropriation $25,000
TOTAL APPROPRIATION . . . . . ((~~$186,439,000~~))
$177,213,000

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

FOR THE UTILITIES AND TRANSPORTATION COMMISSION

General Fund--Federal Appropriation $502,000

General Fund--Private/Local Appropriation $11,175,000
Public Service Revolving Account--State
Appropriation . . . . . ((~~$30,992,000~~))
$31,145,000
Pipeline Safety Account--State Appropriation $3,201,000
Pipeline Safety Account--Federal Appropriation $2,848,000
TOTAL APPROPRIATION . . . . . ((~~$48,718,000~~))
$48,871,000

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

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

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

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

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

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

FOR THE MILITARY DEPARTMENT

General Fund--State Appropriation (FY 2012) . . . . . .((~~$7,175,000~~))
$7,173,000
General Fund--State Appropriation (FY 2013) . . . . . .((~~$7,175,000~~))
$7,171,000
General Fund--Federal Appropriation $159,181,000
Enhanced 911 Account--State Appropriation . . . . . ((~~$46,556,000~~))
$48,626,000
Disaster Response Account--State Appropriation . . . . ((~~$17,933,000~~))
$23,129,000
Disaster Response Account--Federal Appropriation . . . ((~~$66,266,000~~))

$91,368,000

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

Worker and Community Right-to-Know Account--State Appropriation $2,165,000

TOTAL APPROPRIATION . . . . . ((~~$307,066,000~~)) $339,428,000

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

(1) $18,018,000 of the disaster response account--state appropriation and $66,266,000 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 2011-2013 biennium based on current revenue and expenditure patterns.

(2) $75,000,000 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.

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

FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

General Fund--State Appropriation (FY 2012) . . . . . ((~~$2,346,000~~)) $2,047,000

General Fund--State Appropriation (FY 2013) . . . . . .((~~$2,400,000~~))
$2,037,000
Higher Education Personnel Services Account--State
Appropriation . . . . . ((~~$251,000~~))
$445,000
Department of Personnel Service Account--State
Appropriation . . . . . ((~~$3,309,000~~))
$3,387,000
TOTAL APPROPRIATION . . . . . ((~~$8,306,000~~))
$7,916,000

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

FOR THE DEPARTMENT OF ENTERPRISE SERVICES

General Fund--State Appropriation (FY 2012) . . . . . .((~~$3,501,000~~))
$3,405,000
General Fund--State Appropriation (FY 2013) . . . . . .((~~$3,495,000~~))
$3,343,000
General Fund--Federal Appropriation $177,000
General Fund--Private/Local Appropriation $368,000
Building Code Council Account--State Appropriation $1,187,000
Department of Personnel Service Account--State
Appropriation . . . . . ((~~$11,119,000~~))
$10,983,000
Enterprise Services Account--State Appropriation . . . ((~~$26,540,000~~))
$26,585,000
TOTAL APPROPRIATION . . . . . ((~~$46,387,000~~))
$46,048,000

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

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

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

(2) ((~~$3,090,000~~)) $3,028,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$3,090,000~~)) $2,967,000 of the general fund--state appropriation for fiscal year 2013 are 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 maintain an interagency agreement with these agencies to establish performance standards, prioritization of preservation and capital improvement projects, and quality assurance provisions for the delivery of services under this subsection. The legislative agencies named in this subsection shall continue to enjoy all of the same rights of occupancy and space use on the capitol campus as historically established.

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

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

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

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

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

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

FOR INNOVATE WASHINGTON

General Fund--State Appropriation (FY 2012) . . . . . .((~~$2,999,000~~))
$2,819,000

General Fund--State Appropriation (FY 2013) . . . . . .((~~$3,011,000~~))
$1,927,000

TOTAL APPROPRIATION . . . . . .((~~$6,010,000~~))
$4,746,000

(End of part)

PART II
HUMAN SERVICES

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

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

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

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

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

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

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

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

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

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

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

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

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

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

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

General Fund--State Appropriation (FY 2012) . . . . . ((~~$295,011,000~~)) $286,023,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$294,232,000~~)) $283,251,000

General Fund--Federal Appropriation . . . . . .((~~$487,912,000~~)) $479,307,000

General Fund--Private/Local Appropriation $1,358,000

Home Security Fund--State Appropriation $10,741,000

Domestic Violence Prevention Account--State Appropriation . . . . . ((~~$1,154,000~~)) $1,240,000

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

TOTAL APPROPRIATION . . . . . .((~~$1,091,133,000~~)) $1,062,645,000

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

(1) 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.

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

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

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

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

(4) $176,000 of the general fund--state appropriation for fiscal year 2012, $177,000 of the general fund--state appropriation for fiscal year 2013, $656,000 of the general fund--private/local appropriation, $253,000 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. The amounts in this subsection are provided solely for contracted education coordinators to assist foster children in succeeding in K-12

and higher education systems and to assure a focus on education during the transition to performance based contracts. 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.

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

(6) 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.

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

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

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

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

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

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

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

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

General Fund--State Appropriation (FY 2012) . . . . . ((~~$86,684,000~~))
$84,808,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$86,505,000~~))
$83,996,000

General Fund--Federal Appropriation . . . . . .((~~$3,758,000~~))
$3,809,000

General Fund--Private/Local Appropriation $1,903,000

Washington Auto Theft Prevention Authority Account--

State Appropriation $196,000
Juvenile Accountability Incentive Account--Federal
Appropriation $2,801,000
TOTAL APPROPRIATION . . . . . ((~~$181,847,000~~))
$177,513,000

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

(1) ((~~$331,000~~)) $315,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$331,000~~)) $298,000 of the general fund--state appropriation for fiscal year 2013 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) ((~~$2,716,000~~)) $2,580,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$2,716,000~~)) $2,445,000 of the general fund--state appropriation for fiscal year 2013 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) ((~~$3,482,000~~)) $3,308,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$3,482,000~~)) $3,134,000 of the general fund--state appropriation for fiscal year 2013 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) ((~~$1,130,000~~)) $1,074,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$1,130,000~~)) $1,017,000 of the general fund--state appropriation for fiscal year 2013 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) ((~~$3,123,000~~)) $2,942,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$3,123,000~~)) $2,773,000 of the general fund--state appropriation for fiscal year 2013 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) ((~~$1,537,000~~)) $1,370,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$1,537,000~~)) $1,307,000 of the general fund--state appropriation for fiscal year 2013 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, or other programs with a positive benefit-cost finding in the institute's report. 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) 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) The juvenile rehabilitation administration shall phase the implementation of the formula provided in subsection (1) of this section by including a stop-loss formula of five percent in fiscal year 2012 and five percent in fiscal year 2013.

(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.

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

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

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

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

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

General Fund--State Appropriation (FY 2012) . . . . . ((~~$317,392,000~~))
$314,866,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$322,982,000~~))
$306,905,000

General Fund--Federal Appropriation . . . . . .((~~$448,732,000~~))
$443,140,000

General Fund--Private/Local Appropriation $17,864,000

Hospital Safety Net Assessment Fund--State
Appropriation . . . . . ((~~$6,802,000~~))
$5,251,000

TOTAL APPROPRIATION . . . . . .((~~$1,113,772,000~~))
$1,088,026,000

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

(a) ((~~$109,342,000~~)) $107,971,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$109,341,000~~)) $101,116,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for persons and services not covered by the medicaid program. This is a reduction of ((~~$4,348,000 each fiscal year from~~)) the nonmedicaid funding that was allocated for expenditure by regional support networks during fiscal year 2011 prior to supplemental budget reductions. This ((~~$4,348,000~~)) 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) $6,590,000 of the general fund--state appropriation for fiscal year 2012, $6,590,000 of the general fund--state appropriation for fiscal year 2013, and $7,620,000 of the general fund--federal appropriation are provided solely for the department and regional support networks to continue to contract for implementation of high-intensity programs for assertive community treatment (PACT) teams. In determining the proportion of medicaid and nonmedicaid funding provided to regional support networks with PACT teams, the department shall consider the differences between regional support networks in the percentages of services and other costs associated with the teams that are not reimbursable under medicaid. The department may allow regional support networks which have nonmedicaid reimbursable costs that are higher than the nonmedicaid allocation they receive under this section to supplement these funds with local dollars or funds received under section 204(1)(a) of this act. The department and regional support networks shall maintain consistency with all essential elements of the PACT evidence-based practice model in programs funded under this section.

(c) $5,850,000 of the general fund--state appropriation for fiscal year 2012, $5,850,000 of the general fund--state appropriation for fiscal year 2013, and $1,300,000 of the general fund--federal appropriation 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 previously 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 557 per day through June 2012, 527 per day from July 2012 through September 2012, and 497 per day from October 2012 through the remainder of fiscal year 2013.

(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~~)) $4,200,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$4,582,000~~)) $2,291,000 of the general fund--state appropriation for fiscal year 2013 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. Beginning in fiscal year 2013, the department shall report regional outcome data on individuals in jail who are referred for regional support network services. By December 1, 2012, the department shall provide a report to the relevant fiscal and policy committees of the legislature on the number of individuals referred to the program who had an evaluation for regional support network services either during incarceration or within 30 and 60 days of release from jail; and the number who were made newly eligible or reinstated to eligibility for medical assistance services either during incarceration or within 30 and 60 days of release from jail. In addition, the report shall identify how many of the individuals who were determined to be eligible for regional support network services received additional outpatient services within 30 and 60 days of release from incarceration.

(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 2012 and $750,000 of the general fund--state appropriation for fiscal year 2013 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) ((~~$1,125,000~~)) $937,000 of the general fund--state appropriation for fiscal year 2012 ((~~and $1,125,000 of the general fund--state appropriation for fiscal year 2013 are~~)) is 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) $1,529,000 of the general fund--state appropriation for fiscal year 2012 and $1,529,000 of the general fund--state appropriation for fiscal year 2013 are provided solely to reimburse Pierce and Spokane counties for the cost of conducting 180-day commitment hearings at the state psychiatric hospitals.

(k) 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.

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

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

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2012) . . . . . ((~~$115,317,000~~))
$115,139,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$114,111,000~~))
$108,932,000

General Fund--Federal Appropriation . . . . . .((~~$153,324,000~~))
$153,825,000

General Fund--Private/Local Appropriation $67,325,000

TOTAL APPROPRIATION . . . . . .((~~$450,077,000~~))
$445,221,000

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 2012 and $231,000 of the general fund--state appropriation for

fiscal year 2013 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 2012 and $45,000 of the general fund--state appropriation for fiscal year 2013 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) $20,000,000 of the general fund--state appropriation for fiscal year 2012 and $20,000,000 of the general fund--state appropriation for fiscal year 2013 are provided solely to maintain staffed capacity to serve an average daily census in forensic wards at western state hospital of 270 patients per day.

(3) SPECIAL PROJECTS

General Fund--State Appropriation (FY 2012) $1,168,000
General Fund--State Appropriation (FY 2013) . . . . . ((~~$1,164,000~~))
$1,726,000
General Fund--Federal Appropriation $4,109,000
General Fund--Private/Local Appropriation $700,000
TOTAL APPROPRIATION . . . . . ((~~$7,141,000~~))
$7,703,000

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

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

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

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

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

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

(4) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2012) . . . . . ((~~$4,476,000~~))
$4,442,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$4,261,000~~))
$4,122,000

General Fund--Federal Appropriation . . . . . ((~~$7,227,000~~))
$7,113,000

General Fund--Private/Local Appropriation $446,000

TOTAL APPROPRIATION . . . . . ((~~$16,410,000~~))
$16,123,000

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

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

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

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

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

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--DEVELOPMENTAL

DISABILITIES PROGRAM

(1) COMMUNITY SERVICES

General Fund--State Appropriation (FY 2012) . . . . . ((~~$418,815,000~~))
$402,852,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$422,854,000~~))
$409,695,000

General Fund--Federal Appropriation . . . . . .((~~$743,532,000~~))
$758,735,000

General Fund--Private/Local Appropriation . . . . . .((~~$184,000~~))
$315,000,000

Developmental Disabilities Community Trust
Account--State Appropriation $14,750,000

TOTAL APPROPRIATION . . . . . ((~~$1,585,385,000~~))
$1,586,347,000

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

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

(b) Amounts appropriated in this subsection 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.

(c) Amounts appropriated in this subsection are sufficient to develop and implement the use of a consistent, statewide outcome-based vendor contract for employment and day services by July 1, 2012. 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) $944,000 of the general fund--state appropriation for fiscal year 2012, $944,000 of the general fund--state appropriation for fiscal

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

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

~~(f)~~)) $1,127,000 of the general fund--state appropriation for fiscal year 2012, $1,199,000 of the general fund--state appropriation for fiscal year 2013, and $2,322,000 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, for instructional

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

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

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

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

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

for fiscal year 2013 are 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.

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

(i) The current annual renewal license fee for adult family homes shall be increased to $100 per bed beginning in fiscal year 2012 and ((~~$175~~)) $370 per bed beginning in fiscal year 2013. Adult family homes shall receive a corresponding vendor rate increase per medicaid patient day of $0.22 in fiscal year 2012 and ((~~$0.43~~)) $0.96 in fiscal year 2013 to cover the cost of the license fee increase for publicly funded beds.

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

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

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

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

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2012) . . . . . ((~~$80,815,000~~))
$77,989,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$79,939,000~~))
$80,421,000

General Fund--Federal Appropriation . . . . . .((~~$154,388,000~~))
$154,403,000

General Fund--Private/Local Appropriation $22,043,000

TOTAL APPROPRIATION . . . . . .((~~$337,185,000~~))
$334,856,000

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) $721,000 of the general fund--state appropriation for fiscal year 2012 and $721,000 of the general fund--state appropriation for fiscal year 2013 are 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.

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

(3) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2012) . . . . . .((~~$1,380,000~~)) $1,382,000

General Fund--State Appropriation (FY 2013) . . . . . .((~~$1,371,000~~)) $1,374,000

General Fund--Federal Appropriation $1,323,000

TOTAL APPROPRIATION . . . . . ((~~$4,074,000~~)) $4,079,000

(4) SPECIAL PROJECTS

General Fund--State Appropriation (FY 2012) . . . . . .((~~$4,648,000~~)) $4,658,000

General Fund--State Appropriation (FY 2013) . . . . . .((~~$4,637,000~~)) $4,657,000

General Fund--Federal Appropriation . . . . . .((~~$9,575,000~~)) $9,588,000

General Fund--Private/Local Appropriation $998,000

TOTAL APPROPRIATION . . . . . ((~~$19,858,000~~)) $19,901,000

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

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

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

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

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

General Fund--State Appropriation (FY 2012) . . . . . ((~~$781,995,000~~))
$791,034,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$804,465,000~~))
$794,119,000

General Fund--Federal Appropriation . . . . . .((~~$1,680,450,000~~))
$1,706,421,000

General Fund--Private/Local Appropriation . . . . . ((~~$27,517,000~~))
$30,802,000

Traumatic Brain Injury Account--State Appropriation $3,388,000

Nursing Facility Quality Assurance Account--State
Appropriation . . . . . ((~~$88,071,000~~))
$109,246,000

TOTAL APPROPRIATION . . . . . .((~~$3,385,886,000~~))
$3,435,010,000

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 $170.37 for fiscal year 2012 and shall not exceed $171.43 for fiscal year 2013, including the rate add-ons described in (a) and (b) of this subsection. However, if the waiver requested from the federal centers for medicare and medicaid services in relation to the safety net assessment created by Engrossed Substitute Senate Bill No. 5581 (nursing home payments) is for any reason not approved and implemented, the weighted average nursing facility payment rate shall not exceed $159.87 for fiscal year 2012 and shall not exceed $160.93 for fiscal year 2013. There will be no adjustments for economic trends and conditions in fiscal years 2012 and 2013. 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.

(a) ((~~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.~~

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

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

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

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

(2) After examining actual nursing facility cost information, the legislature finds that the medicaid nursing facility rates calculated pursuant to Engrossed Substitute Senate Bill No. 5581 (nursing home payments) provide sufficient reimbursement to efficiently and economically operating nursing facilities and bear 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 2012 and no new certificates of capital authorization for fiscal year 2013 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 years 2012 and 2013.

(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) 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.

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

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

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

~~(8)~~)) $2,063,000 of the general fund--state appropriation for fiscal year 2012, $2,195,000 of the general fund--state appropriation for fiscal year 2013, and $4,260,000 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, for instructional costs associated with the training of individual providers. House Bill No. 1548 and Senate Bill No. 5473 (long-term care worker requirements) make statutory changes to the increased training requirements and therefore the state shall contribute to the partnership $0.17 per paid hour worked by all home care workers. This amount is pursuant to the

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

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

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

((~~(11) $4,588,000~~)) (10) $4,823,000 of the general fund--state appropriation for fiscal year 2012, ((~~$4,559,000~~)) $6,474,000 of the general fund--state appropriation for fiscal year 2013, and ((~~$9,237,000~~)) $11,387,000 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. The department shall prioritize services in order to reduce utilization and maintain a reduction of 60 beds at western state hospital that were previously used for long term placements for clients with dementia, traumatic brain injuries, or other organic brain disorders. The department shall ensure that a sufficient number of individuals have been transitioned and diverted from western state hospital to enable closure of a 30 bed ward on July 1, 2012, and of another 30 bed ward on October 1, 2012. Coordination of these services must be done in partnership between the mental health program and the aging and disability services administration.

((~~(12) $1,840,000~~)) (11) $1,380,000 of the general fund--state appropriation for fiscal year 2012 ((~~and $1,877,000 of the general fund--state appropriation for fiscal year 2013 are~~)) is 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.

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

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

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

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

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

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

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

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

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

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

General Fund--State Appropriation (FY 2012) . . . . . ((~~$487,305,000~~)) $435,690,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$503,362,000~~)) $467,369,000

General Fund--Federal Appropriation . . . . . .((~~$1,167,467,000~~)) $1,172,182,000

General Fund--Private/Local Appropriation $30,592,000

TOTAL APPROPRIATION . . . . . .((~~$2,188,726,000~~)) $2,105,833,000

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

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

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

General Fund--State Appropriation (FY 2012) . . . . . ((~~$74,287,000~~))
$72,957,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$74,422,000~~))
$66,546,000

General Fund--Federal Appropriation . . . . . .((~~$141,514,000~~))
$178,776,000

General Fund--Private/Local Appropriation . . . . . ((~~$2,086,000~~))
$13,442,000

Criminal Justice Treatment Account--State
Appropriation $20,748,000

Problem Gambling Account--State Appropriation $1,448,000

TOTAL APPROPRIATION . . . . . .((~~$314,505,000~~))
$353,917,000

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, pregnant and parenting women, disability lifeline, and alcoholism and drug addiction treatment and support act, and medical care services clients.

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

(4) $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.

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

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

Sec. 209. 2011 2nd sp.s. c 9 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 2012) . . . . . ((~~$10,874,000~~))
$10,629,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$10,861,000~~))
$10,597,000

General Fund--Federal Appropriation . . . . . .((~~$105,091,000~~))
$105,095,000

Telecommunications Devices for the Hearing and
Speech Impaired--State Appropriation $2,766,000

TOTAL APPROPRIATION . . . . . .((~~$129,592,000~~))
$129,087,000

The appropriations in this section are subject to the following conditions and limitations: $480,000 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 contract for services that provide employment support and help with life activities for deaf-blind individuals in King county.

Sec. 210. 2011 2nd sp.s. c 9 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 2012) . . . . . ((~~$47,719,000~~)) $48,180,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$46,292,000~~)) $36,400,000

TOTAL APPROPRIATION . . . . . ((~~$94,011,000~~)) $84,580,000

Sec. 211. 2011 2nd sp.s. c 9 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 2012) . . . . . ((~~$26,125,000~~)) $25,736,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$24,586,000~~)) $23,957,000

General Fund--Federal Appropriation . . . . . ((~~$39,223,000~~)) $39,537,000

General Fund--Private/Local Appropriation $2,116,000

Performance Audits of State Government--State Appropriation $4,812,000

TOTAL APPROPRIATION . . . . . ((~~$96,862,000~~)) $96,158,000

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

(1) $300,000 of the general fund--state appropriation for fiscal year 2012 and $300,000 of the general fund--state appropriation for fiscal year 2013 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~~)) $373,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$445,000~~)) $300,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for funding of the teamchild project.

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

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

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

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

Sec. 212. 2011 2nd sp.s. c 9 s 212 (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 2012) $62,778,000
General Fund--State Appropriation (FY 2013) . . . . . ((~~$61,927,000~~))
$58,940,000
General Fund--Federal Appropriation $58,400,000
TOTAL APPROPRIATION . . . . . ((~~$183,105,000~~))
$180,118,000

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

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

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

FOR THE STATE HEALTH CARE AUTHORITY

General Fund--State Appropriation (FY 2012) . . . . ((~~$2,130,229,000~~)) $2,034,415,000

General Fund--State Appropriation (FY 2013) . . . . ((~~$2,185,617,000~~)) $2,029,268,000

General Fund--Federal Appropriation . . . . . .((~~$5,389,627,000~~)) $5,297,576,000

General Fund--Private/Local Appropriation . . . . . ((~~$45,512,000~~)) $48,049,000

Emergency Medical Services and Trauma Care Systems Trust Account--State Appropriation $15,077,000

Hospital Safety Net Assessment Fund--State Appropriation . . . . . ((~~$394,905,000~~)) $433,255,000

State Health Care Authority Administration Account--State Appropriation . . . . . ((~~$34,118,000~~)) $34,117,000

Basic Health Plan Stabilization Account--State Appropriation $44,000,000

Medical Aid Account--State Appropriation $529,000

TOTAL APPROPRIATION . . . . . ((~~$10,239,614,000~~)) $9,936,286,000

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

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

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

(2) 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)~~)) (3) 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)~~)) (4)(a) $1,200,000 of the general fund--state appropriation for fiscal year 2012 is provided solely to plan the implementation of a system of consolidated public school employee health benefits purchasing.

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

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

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

(i) The current K-12 health benefits system;

(ii) A new K-12 employee benefits pool; and

(iii) Enrolling K-12 employees into the health benefits pool for state employees.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

((~~(4)~~)) (5) 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).

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

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

((~~(7)~~)) (8) Based on quarterly expenditure reports and caseload forecasts, if the health care authority estimates that expenditures for the medical assistance program will exceed the appropriations, the health care authority 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.

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

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

((~~(10)~~)) (11) When a person is ineligible for medicaid solely by reason of residence in an institution for mental diseases, the health care authority 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.

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

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

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

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

~~(14)~~)) (13) $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 health care authority's discretion. During either the interim cost settlement or the final cost settlement, the health care authority shall recoup from the public hospital districts the supplemental payments that exceed the medicaid cost limit and/or the medicare upper payment limit. The health care authority shall apply federal rules for identifying the eligible incurred medicaid costs and the medicare upper payment limit.

((~~(15)~~)) (14) The health care authority shall continue the inpatient hospital certified public expenditures program for the 2011-2013 fiscal 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 health care authority shall submit reports to the governor and legislature by November 1, 2011, and by November 1, 2012, 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 health care authority 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 2012 and fiscal year 2013, 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 2011-13 biennial operating appropriations act and in effect on July 1, 2011, (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 2011-13 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. ((~~$24,677,000~~)) $8,102,000 of the general fund--state appropriation for fiscal year 2012, of which $6,570,000 is appropriated in section 204(1) of this act, and ((~~$21,531,000~~)) $3,162,000 of the general fund--state appropriation for fiscal year 2013, 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 RCW 74.60.080 and rate increases in RCW 74.60.090 funded through the hospital safety net assessment fund rather than through the baseline mechanism specified in this subsection.

((~~(16)~~)) (15) The health care authority 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.

((~~(17)~~)) (16) The health care authority 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. The health care authority shall prioritize evidence-based practices for delivery of maternity support services. To the extent practicable, the health care authority shall develop a mechanism to increase federal funding for maternity support services by leveraging local public funding for those services.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FOR THE HUMAN RIGHTS COMMISSION

General Fund--State Appropriation (FY 2012) . . . . . ((~~$2,240,000~~))
$2,015,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$2,242,000~~))
$2,017,000

General Fund--Federal Appropriation $1,903,000

TOTAL APPROPRIATION . . . . . ((~~$6,385,000~~))
$5,935,000

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

FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS

Worker and Community Right-to-Know Account--State Appropriation $10,000

Accident Account--State Appropriation . . . . . ((~~$19,690,000~~)) $19,689,000

Medical Aid Account--State Appropriation $19,689,000

TOTAL APPROPRIATION . . . . . ((~~$39,389,000~~)) $39,388,000

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

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

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

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

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

FOR THE CRIMINAL JUSTICE TRAINING COMMISSION

General Fund--State Appropriation (FY 2012) . . . . . ((~~$14,850,000~~)) $14,482,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$14,711,000~~)) $8,593,000

General Fund--Federal Appropriation $456,000

General Fund--Private/Local Appropriation . . . . . ((~~$4,048,000~~)) $8,650,000

Death Investigations Account--State Appropriation $148,000
Municipal Criminal Justice Assistance Account--
State Appropriation . . . . . ((~~$460,000~~))
<u>$345,000</u>
Washington Auto Theft Prevention Authority Account--
State Appropriation $8,597,000
TOTAL APPROPRIATION . . . . . ((~~$43,270,000~~))
<u>$41,271,000</u>

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

(1) $5,000,000 of the general fund--state appropriation for fiscal year 2012 and $5,000,000 of the general fund--state appropriation for fiscal year 2013, 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.

(2) ((~~$321,000 of the general fund--local appropriation is provided solely to purchase ammunition for the basic law enforcement academy.~~)) <u>In fiscal year 2012, j</u>urisdictions 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.

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

(4) $100,000 of the general fund--state appropriation for fiscal year 2012 and $100,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for a school safety program. 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 hired after the effective date of this section.

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

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

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

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

FOR THE DEPARTMENT OF LABOR AND INDUSTRIES

General Fund--State Appropriation (FY 2012) . . . . . ((~~$17,433,000~~))
$17,294,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$18,374,000~~))
$17,209,000

General Fund--Federal Appropriation $11,636,000

Asbestos Account--State Appropriation . . . . . .((~~$395,000~~))
$379,000

Electrical License Account--State Appropriation . . . . ((~~$37,019,000~~))
$36,520,000

Farm Labor Revolving Account--Private/Local Appropriation . . . $28,000

Worker and Community Right-to-Know Account--
State Appropriation . . . . . ((~~$949,000~~))
$922,000

Public Works Administration Account--State

Appropriation . . . . . ((~~$6,814,000~~))
$7,007,000

Manufactured Home Installation Training Account--
State Appropriation $334,000

Accident Account--State Appropriation . . . . . .((~~$252,809,000~~))
$253,453,000

Accident Account--Federal Appropriation $13,622,000

Medical Aid Account--State Appropriation . . . . . ((~~$264,202,000~~))
$265,298,000

Medical Aid Account--Federal Appropriation $3,186,000

Plumbing Certificate Account--State Appropriation . . . ((~~$1,688,000~~))
$1,684,000

Pressure Systems Safety Account--State
Appropriation . . . . . ((~~$4,068,000~~))
$4,070,000

TOTAL APPROPRIATION . . . . . .((~~$632,557,000~~))
$632,642,000

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. Plumber fees may be increased each year of the fiscal biennium. 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) $50,000 of the general fund--state appropriation for fiscal year 2012 and $50,000 of the general fund--state appropriation for fiscal year 2013 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.

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

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

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

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

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

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

FOR THE DEPARTMENT OF VETERANS AFFAIRS

(1) HEADQUARTERS

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

(2) FIELD SERVICES
General Fund--State Appropriation (FY 2012) $5,006,000
General Fund--State Appropriation (FY 2013) $5,001,000
General Fund--Federal Appropriation $3,356,000
General Fund--Private/Local Appropriation $4,737,000
Veterans Innovations Program Account--State
Appropriation $812,000
Veteran Estate Management Account--Private/Local
Appropriation $1,083,000
TOTAL APPROPRIATION $19,995,000

The appropriations in this subsection are subject to the following conditions and limitations: $821,000 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.

(3) INSTITUTIONAL SERVICES
General Fund--State Appropriation (FY 2012) . . . . . ((~~$899,000~~))
$1,755,000
((~~General Fund--State Appropriation (FY 2013) . . . . . $71,000~~))
General Fund--Federal Appropriation . . . . . ((~~$59,177,000~~))
$61,734,000
General Fund--Private/Local Appropriation . . . . . ((~~$32,094,000~~))
$29,724,000
TOTAL APPROPRIATION . . . . . ((~~$92,241,000~~))
$93,213,000

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

FOR THE DEPARTMENT OF HEALTH

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

$78,865,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$79,718,000~~))
$68,042,000

General Fund--Federal Appropriation . . . . . .((~~$555,563,000~~))
$552,931,000

General Fund--Private/Local Appropriation . . . . . ((~~$148,362,000~~))
$148,456,000

Hospital Data Collection Account--State Appropriation . . ((~~$214,000~~))
$376,000

Health Professions Account--State Appropriation . . . . ((~~$94,469,000~~))
$99,498,000

Aquatic Lands Enhancement Account--State Appropriation $604,000

Emergency Medical Services and Trauma Care Systems
Trust Account--State Appropriation $12,302,000

Safe Drinking Water Account--State Appropriation $4,480,000

Drinking Water Assistance Account--Federal
Appropriation $22,875,000

Waterworks Operator Certification--State
Appropriation $1,532,000

Drinking Water Assistance Administrative Account--
State Appropriation $326,000

Site Closure Account--State Appropriation $79,000

Biotoxin Account--State Appropriation $1,167,000

State Toxics Control Account--State Appropriation $3,649,000

Medical Test Site Licensure Account--State
Appropriation $2,321,000

Youth Tobacco Prevention Account--State Appropriation . . . $1,512,000

Community and Economic Development Fee Account--State
Appropriation . . . . . ((~~$596,000~~))
$298,000

Public Health Supplemental Account--Private/Local
Appropriation $3,598,000

Accident Account--State Appropriation $297,000

Medical Aid Account--State Appropriation $50,000

Tobacco Prevention and Control Account--State
Appropriation . . . . . .((~~$37,000~~))
$1,737,000

TOTAL APPROPRIATION . . . . . .((~~$1,013,560,000~~))

$1,004,995,000

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FOR THE DEPARTMENT OF CORRECTIONS

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

(1) ADMINISTRATION AND SUPPORT SERVICES

General Fund--State Appropriation (FY 2012) . . . . . ((~~$54,529,000~~))
$54,470,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$53,210,000~~))
$53,183,000

TOTAL APPROPRIATION . . . . . ((~~$107,739,000~~))
$107,653,000

The appropriations in this subsection are subject to the following conditions and limitations: $35,000 of the general fund--state appropriation for fiscal year 2012 and $35,000 of the general fund--state appropriation for fiscal year 2013 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 2012) . . . . . ((~~$609,105,000~~))
$600,294,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$602,804,000~~))
$580,848,000

General Fund--Federal Appropriation $3,324,000

Washington Auto Theft Prevention Authority Account--
State Appropriation $14,079,000

TOTAL APPROPRIATION . . . . . ((~~$1,229,312,000~~))
$1,198,545,000

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

(a) During the 2011-13 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.

(b) 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.

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

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

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

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

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

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

(3) COMMUNITY SUPERVISION

General Fund--State Appropriation (FY 2012) . . . . . ((~~$129,635,000~~))
$128,934,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$128,049,000~~))
$125,683,000

Federal Narcotics Forfeiture Account--Federal
Appropriation $372,000

Controlled Substances Account--State
Appropriation $32,000

TOTAL APPROPRIATION . . . . . ((~~$258,088,000~~))
$255,021,000

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

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

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

(4) CORRECTIONAL INDUSTRIES

General Fund--State Appropriation (FY 2012) $3,535,000

General Fund--State Appropriation (FY 2013) $3,458,000

TOTAL APPROPRIATION $6,993,000

The appropriations in this subsection are subject to the following conditions and limitations: $66,000 of the general fund--state appropriation for fiscal year 2012 is 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 2012) $37,053,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$35,549,000~~))
$35,550,000

TOTAL APPROPRIATION . . . . . ((~~$72,602,000~~))
$72,603,000

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. If House Bill No. 2346 is enacted by June 30, 2012, this subsection (5)(a) is null and void as of June 30, 2012.

(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.

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

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

FOR THE DEPARTMENT OF SERVICES FOR THE BLIND

General Fund--State Appropriation (FY 2012) . . . . . .((~~$2,278,000~~))
$2,164,000

General Fund--State Appropriation (FY 2013) . . . . . .((~~$2,264,000~~))
$2,151,000

General Fund--Federal Appropriation . . . . . ((~~$19,082,000~~))
$19,309,000

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

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

FOR THE EMPLOYMENT SECURITY DEPARTMENT

General Fund--Federal Appropriation . . . . . ((~~$267,301,000~~))
$267,298,000
General Fund--Private/Local Appropriation $33,931,000
Unemployment Compensation Administration Account--
Federal Appropriation . . . . . ((~~$350,622,000~~))
$350,671,000
Administrative Contingency Account--State
Appropriation $20,948,000
Employment Service Administrative Account--State
Appropriation . . . . . ((~~$33,721,000~~))
$33,720,000
TOTAL APPROPRIATION . . . . . ((~~$706,523,000~~))
$706,568,000

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

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

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

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

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

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

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

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

(End of part)

PART III
NATURAL RESOURCES

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

FOR THE COLUMBIA RIVER GORGE COMMISSION

General Fund--State Appropriation (FY 2012) . . . . . ((~~$402,000~~))
$384,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$410,000~~))
$392,000

General Fund--Federal Appropriation $31,000

General Fund--Private/Local Appropriation . . . . . ((~~$782,000~~))
$746,000

TOTAL APPROPRIATION . . . . . ((~~$1,625,000~~))
$1,553,000

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

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2012) . . . . . ((~~$47,630,000~~))
$43,743,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$46,226,000~~))
$37,433,000

General Fund--Federal Appropriation . . . . . ((~~$77,452,000~~))
$100,342,000

General Fund--Private/Local Appropriation . . . . . ((~~$16,691,000~~))
$16,731,000

Special Grass Seed Burning Research Account--State
Appropriation $3,000

Reclamation Revolving Account--State Appropriation $3,642,000

Flood Control Assistance Account--State Appropriation . . . $1,940,000

State Emergency Water Projects Revolving Account--State
Appropriation $270,000

Waste Reduction/Recycling/Litter Control--State
Appropriation $11,478,000

State Drought Preparedness Account--State
Appropriation . . . . . ((~~$118,000~~))

$204,000

State and Local Improvements Revolving Account (Water Supply Facilities)--State Appropriation $423,000

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

Water Rights Tracking System Account--State Appropriation . . . $46,000

Site Closure Account--State Appropriation . . . . . .((~~$703,000~~)) $624,000

Wood Stove Education and Enforcement Account--State Appropriation . . . . . ((~~$612,000~~)) $596,000

Worker and Community Right-to-Know Account--State Appropriation $1,668,000

Water Rights Processing Account--State Appropriation . . . ((~~$136,000~~)) $135,000

State Toxics Control Account--State Appropriation . . ((~~$112,575,000~~)) $113,548,000

State Toxics Control Account--Private/Local Appropriation $968,000

Local Toxics Control Account--State Appropriation . . . ((~~$27,390,000~~)) $26,234,000

Water Quality Permit Account--State Appropriation . . . ((~~$37,748,000~~)) $39,205,000

Underground Storage Tank Account--State Appropriation $3,254,000

Biosolids Permit Account--State Appropriation $1,805,000

Hazardous Waste Assistance Account--State Appropriation $5,857,000

Air Pollution Control Account--State Appropriation . . . ((~~$2,468,000~~)) $2,554,000

Oil Spill Prevention Account--State Appropriation . . . ((~~$5,566,000~~)) $7,066,000

Air Operating Permit Account--State Appropriation . . . ((~~$2,746,000~~)) $2,744,000

Freshwater Aquatic Weeds Account--State Appropriation . . . $1,700,000

Oil Spill Response Account--State Appropriation $7,076,000

Metals Mining Account--State Appropriation $14,000

Water Pollution Control Revolving Account--State

Appropriation $611,000

Water Pollution Control Revolving Account--Federal

Appropriation $2,517,000

TOTAL APPROPRIATION . . . . . ((~~$421,842,000~~))

$434,940,000

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) RCW 70.275.120, mercury light generation fee; and

(b) RCW 70.94.151, gasoline vapor registration fee and greenhouse gas emission reporting fee.

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

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

FOR THE STATE PARKS AND RECREATION COMMISSION

General Fund--State Appropriation (FY 2012) $8,955,000
General Fund--State Appropriation (FY 2013) $8,379,000
General Fund--Federal Appropriation $5,905,000
Winter Recreation Program Account--State Appropriation . . . $1,761,000
ORV and Nonhighway Vehicle Account--State Appropriation . . . $224,000
Snowmobile Account--State Appropriation $4,848,000
Aquatic Lands Enhancement Account--State Appropriation $363,000
Parks Renewal and Stewardship Account--State
Appropriation . . . . . ((~~$116,087,000~~))

$108,441,000

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

TOTAL APPROPRIATION . . . . . ((~~$146,822,000~~)) $139,176,000

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

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

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

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

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

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

FOR THE RECREATION AND CONSERVATION FUNDING BOARD

General Fund--State Appropriation (FY 2012) . . . . . ((~~$954,000~~)) $761,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$973,000~~)) $604,000

General Fund--Federal Appropriation $3,299,000
General Fund--Private/Local Appropriation . . . . . ((~~$274,000~~))
$24,000
Aquatic Lands Enhancement Account--State Appropriation $278,000
Vessel Response Account--State Appropriation $100,000
Firearms Range Account--State Appropriation $37,000
Recreation Resources Account--State Appropriation . . . ((~~$2,874,000~~))
$2,914,000
NOVA Program Account--State Appropriation $900,000
TOTAL APPROPRIATION . . . . . ((~~$9,689,000~~))
$8,917,000

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

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

FOR THE ENVIRONMENTAL AND LAND USE HEARINGS OFFICE

General Fund--State Appropriation (FY 2012) . . . . . ((~~$2,308,000~~))
$2,209,000
General Fund--State Appropriation (FY 2013) . . . . . ((~~$2,275,000~~))
$2,147,000
TOTAL APPROPRIATION . . . . . ((~~$4,583,000~~))
$4,356,000

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

FOR THE CONSERVATION COMMISSION

General Fund--State Appropriation (FY 2012) . . . . . ((~~$6,789,000~~))
$6,449,000
((~~General Fund--State Appropriation (FY 2013) . . . . . $6,792,000~~))
General Fund--Federal Appropriation . . . . . ((~~$1,301,000~~))
$651,000

TOTAL APPROPRIATION . . . . . ((~~$14,882,000~~))
$7,100,000

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

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

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

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

FOR THE DEPARTMENT OF FISH AND WILDLIFE

General Fund--State Appropriation (FY 2012) . . . . . ((~~$34,695,000~~))
$29,908,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$32,388,000~~))
$26,314,000

General Fund--Federal Appropriation $105,717,000

General Fund--Private/Local Appropriation $57,025,000

ORV and Nonhighway Vehicle Account--State Appropriation . . . $391,000

Aquatic Lands Enhancement Account--State
Appropriation . . . . . ((~~$8,230,000~~))
$13,069,000

Recreational Fisheries Enhancement--State
Appropriation . . . . . ((~~$3,550,000~~))
$2,800,000

Warm Water Game Fish Account--State Appropriation . . . ((~~$3,051,000~~))
$2,851,000

Eastern Washington Pheasant Enhancement Account--State
Appropriation $849,000

Aquatic Invasive Species Enforcement Account--State
Appropriation $204,000

Aquatic Invasive Species Prevention Account--State
Appropriation $719,000

State Wildlife Account--State Appropriation . . . . . ((~~$100,424,000~~))

$102,560,000

Special Wildlife Account--State Appropriation $2,384,000

Special Wildlife Account--Federal Appropriation $500,000

Special Wildlife Account--Private/Local Appropriation . . . $3,415,000

Wildlife Rehabilitation Account--State Appropriation $259,000

Regional Fisheries Enhancement Salmonid Recovery Account--Federal Appropriation $5,001,000

Oil Spill Prevention Account--State Appropriation $887,000

Oyster Reserve Land Account--State Appropriation $921,000

Hydraulic Project Approval Account--State Appropriation . . . $750,000

TOTAL APPROPRIATION . . . . . ((~~$360,610,000~~))

$356,524,000

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 2012 and $355,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the department to continue 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 2013-2015 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) $400,000 of the general fund--state appropriation for fiscal year 2012 and $400,000 of the general fund--state appropriation for fiscal year 2013 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.

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

(6) $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.

(7) 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.

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

(9) 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.

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

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

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

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

FOR THE DEPARTMENT OF NATURAL RESOURCES

General Fund--State Appropriation (FY 2012) . . . . . ((~~$31,324,000~~))
$31,079,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$35,791,000~~))
$31,914,000

General Fund--Federal Appropriation $27,919,000

General Fund--Private/Local Appropriation $2,374,000

Forest Development Account--State Appropriation . . . . ((~~$41,717,000~~))
$46,640,000

ORV and Nonhighway Vehicle Account--State Appropriation . . $4,387,000

Surveys and Maps Account--State Appropriation . . . . . ((~~$2,346,000~~))
$2,124,000

Aquatic Lands Enhancement Account--State

Appropriation . . . . . ((~~$7,224,000~~)) $2,907,000

Resources Management Cost Account--State Appropriation . . . . . ((~~$82,097,000~~)) $87,994,000

Surface Mining Reclamation Account--State Appropriation $3,484,000

Disaster Response Account--State Appropriation $5,000,000

Forest and Fish Support Account--State Appropriation . . ((~~$7,933,000~~)) $9,484,000

Aquatic Land Dredged Material Disposal Site Account--State Appropriation $838,000

Natural Resources Conservation Areas Stewardship Account--State Appropriation $34,000

State Toxics Control Account--State Appropriation $80,000

Air Pollution Control Account--State Appropriation . . . . ((~~$669,000~~)) $540,000

NOVA Program Account--State Appropriation $639,000

Derelict Vessel Removal Account--State Appropriation $1,761,000

Agricultural College Trust Management Account--State Appropriation $1,854,000

Forest Practices Application Account--State Appropriation $1,500,000

TOTAL APPROPRIATION . . . . . ((~~$257,471,000~~)) $262,552,000

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

(1) $710,000 of the general fund--state appropriation for fiscal year 2012 and $915,000 of the general fund--state appropriation for fiscal year 2013 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) $8,030,000 of the general fund--state appropriation for fiscal year 2012, ((~~$10,037,000~~)) $7,899,000 of the general fund--state appropriation for fiscal year 2013, $2,138,000 of the forest development account--state appropriation for fiscal year 2013, 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) ((~~$4,000,000 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) $333,000 of the forest and fish support account--state appropriation is provided solely for adaptive management, monitoring, and participation grants to nongovernmental organizations.~~

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

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

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

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

are 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.

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

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

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

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

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

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

FOR THE DEPARTMENT OF AGRICULTURE

General Fund--State Appropriation (FY 2012) . . . . . ((~~$15,484,000~~))

$14,698,000
General Fund--State Appropriation (FY 2013) . . . . . ((~~$14,875,000~~))
$13,995,000
General Fund--Federal Appropriation . . . . . ((~~$22,940,000~~))
$23,674,000
General Fund--Private/Local Appropriation $190,000
Aquatic Lands Enhancement Account--State
Appropriation $2,553,000
State Toxics Control Account--State Appropriation $5,118,000
Water Quality Permit Account--State Appropriation $60,000
Freshwater Aquatic Weeds Account--State Appropriation $280,000
Waste Tire Removal Account--State Appropriation $970,000
TOTAL APPROPRIATION . . . . . ((~~$61,500,000~~))
$61,538,000

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

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

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

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

FOR THE WASHINGTON POLLUTION LIABILITY INSURANCE PROGRAM

Pollution Liability Insurance Program Trust
Account--State Appropriation $668,000

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

FOR THE PUGET SOUND PARTNERSHIP

General Fund--State Appropriation (FY 2012) . . . . . .((~~$2,399,000~~))
$1,996,000

General Fund--State Appropriation (FY 2013) . . . . . .((~~$2,424,000~~))
$1,483,000

General Fund--Federal Appropriation . . . . . .((~~$9,581,000~~))
$11,795,000

General Fund--Private/Local Appropriation . . . . . ((~~$25,000~~))
$17,000

Aquatic Lands Enhancement Account--State
Appropriation . . . . . ((~~$493,000~~))
$408,000

State Toxics Control Account--State Appropriation $665,000

TOTAL APPROPRIATION . . . . . .((~~$15,587,000~~))
$16,364,000

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

(1) $665,000 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.

(2) 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.

(End of part)

PART IV
TRANSPORTATION

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

FOR THE DEPARTMENT OF LICENSING

General Fund--State Appropriation (FY 2012) $1,167,000
General Fund--State Appropriation (FY 2013) $1,307,000
Architects' License Account--State Appropriation $1,084,000
Professional Engineers' Account--State
Appropriation . . . . . ((~~$3,518,000~~))
$3,539,000
Real Estate Commission Account--State Appropriation $9,833,000
Uniform Commercial Code Account--State
Appropriation $3,120,000
Real Estate Education Account--State Appropriation $276,000
Real Estate Appraiser Commission Account--State
Appropriation $1,687,000
Business and Professions Account--State
Appropriation . . . . . ((~~$15,592,000~~))
$15,817,000
Real Estate Research Account--State Appropriation $622,000
Geologists' Account--State Appropriation $51,000
Derelict Vessel Removal Account--State Appropriation $31,000
TOTAL APPROPRIATION . . . . . ((~~$38,288,000~~))
$38,534,000

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 collection agencies. This increase is necessary to support the expenditures authorized in this section, consistent with RCW 43.24.086.

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

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

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

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

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

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

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

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

FOR THE STATE PATROL

General Fund--State Appropriation (FY 2012) . . . . . ((~~$37,352,000~~))
$34,879,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$35,108,000~~))
$25,703,000

General Fund--Federal Appropriation $16,081,000

General Fund--Private/Local Appropriation . . . . . ((~~$3,021,000~~))
$10,426,000

Death Investigations Account--State Appropriation $5,551,000
County Criminal Justice Assistance Account--State
Appropriation . . . . . ((~~$3,215,000~~))
$2,383,000
Municipal Criminal Justice Assistance Account--State
Appropriation . . . . . ((~~$1,290,000~~))
$967,000
Fire Service Trust Account--State Appropriation $131,000
Disaster Response Account--State Appropriation $8,002,000
Fire Service Training Account--State Appropriation $9,394,000
Aquatic Invasive Species Enforcement Account--State
Appropriation $54,000
State Toxics Control Account--State Appropriation $505,000
Fingerprint Identification Account--State
Appropriation $10,090,000
Vehicle License Fraud Account--State Appropriation . . . . ((~~$339,000~~))
$439,000
TOTAL APPROPRIATION . . . . . ((~~$130,133,000~~))
$124,605,000

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) $400,000 of the fire service training account--state

appropriation is provided solely for the firefighter apprenticeship training program.

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

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

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

(End of part)

PART V
EDUCATION

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

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

General Fund--State Appropriation (FY 2012) . . . . . ((~~$25,406,000~~)) $25,180,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$22,502,000~~)) $25,620,000

General Fund--Federal Appropriation $77,065,000

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

TOTAL APPROPRIATION . . . . . .((~~$128,973,000~~)) $131,865,000

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

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

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

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

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

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

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

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

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

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

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

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

(ii) ((~~$694,000~~)) $521,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$312,000~~)) $220,000 of the general fund--state appropriation for fiscal year 2013 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)(d)(ii) is also provided for the recruiting Washington teachers program. Funding reductions in this subsection (1)(d)(ii) in the 2011- 2013 fiscal biennium are intended to be one-time.

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

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

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

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

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

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

(j) $25,000 of the general fund--state appropriation for fiscal year 2012 and $25,000 of the general fund--state appropriation for fiscal year 2013 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.

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

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

(m) $205,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for implementation of House Bill No. 2170 (career pathways). If the bill is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

(n) $500,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for implementation of House Bill No. 2337 (open K-12 education resources). If the bill is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

(2) $9,267,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$9,167,000~~)) $10,110,000 of the general fund--state appropriation for fiscal year 2013 are for statewide programs.

(a) HEALTH AND SAFETY

(i) $2,541,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$2,541,000~~)) $2,287,000 of the general fund--state appropriation for fiscal year 2013 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) $50,000 of the general fund--state appropriation for fiscal

year 2012 and $50,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for a nonviolence and leadership training program provided by the institute for community leadership.

(b) TECHNOLOGY

$1,221,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$1,221,000~~)) $1,099,000 of the general fund--state appropriation for fiscal year 2013 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.

(c) GRANTS AND ALLOCATIONS

(i) $675,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$675,000~~)) $608,000 of the general fund--state appropriation for fiscal year 2013 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.

(ii) $1,000,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$1,000,000~~)) $900,000 of the general fund--state appropriation for fiscal year 2013 are 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.

(iii) $2,808,000 of the general fund--state appropriation for fiscal year 2012 and $2,808,000 of the general fund--state appropriation for fiscal year 2013 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.

(iv) $337,000 of the general fund--state appropriation for fiscal year 2012 and $337,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for implementation of the building bridges statewide program for comprehensive dropout prevention, intervention, and reengagement strategies.

(v) $135,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$135,000~~)) $122,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for dropout prevention programs at the office of the superintendent of public instruction, including the jobs for America's graduates (JAG) program.

(vi) $500,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$400,000~~)) $1,900,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the implementation of chapter 340, Laws of 2011 (assessment of students in state-funded full-day kindergarten classrooms), including the development and implementation of the Washington kindergarten inventory of developing skills (WaKIDS). Of the amounts in this subsection, $1,500,000 of the fiscal year 2013 appropriation is for the implementation of House Bill No. 2586 (kindergarten inventory). If the bill is not enacted by June 30, 2012, this amount shall lapse.

Sec. 502. 2011 2nd sp.s. c 9 s 502 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL APPORTIONMENT

General Fund--State Appropriation (FY 2012) . . . . ((~~$5,253,769,000~~)) $5,240,761,000

General Fund--State Appropriation (FY 2013) . . . . ((~~$5,205,868,000~~)) $4,829,267,000

General Fund--Federal Appropriation $22,078,000

TOTAL APPROPRIATION . . . . . ((~~$10,481,715,000~~)) $10,092,106,000

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) For the 2011-12 and 2012-13 school years, the superintendent shall allocate general apportionment funding to school districts as provided in the funding formulas and salary schedules in sections 502 and 503 of this act, excluding (c) of this subsection.

(c) From July 1, 2011 to August 31, 2011, the superintendent shall allocate general apportionment funding to school districts programs as provided in sections 502 and 504, chapter 564, Laws of 2009, as amended through sections 1402 and 1403 of this act.

(d) The appropriations in this section include federal funds provided through section 101 of P.L. 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 2011-12 school year, the superintendent shall include the additional amount of $3,078,000 allocated by the United States department of education on September 16, 2011, provided through 101 of P.L. No. 111-226 (education jobs fund) as part of each district's general apportionment allocation.

(e) The enrollment of any district shall be the annual average number of full-time equivalent students and part-time students as provided in RCW 28A.150.350, enrolled on the fourth day of school in September and on the first school day of each month October through June, including students who are in attendance pursuant to RCW 28A.335.160 and 28A.225.250 who do not reside within the servicing school district. Any school district concluding its basic education program in May must report the enrollment of the last school day held in May in lieu of a June enrollment.

(2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

Allocations for certificated instructional staff salaries for the 2011-12 and 2012-13 school years are determined using formula-generated staff units calculated pursuant to this subsection.

(a) Certificated instructional staff units, as defined in RCW 28A.150.410, shall be allocated to reflect the minimum class size allocations, requirements, and school prototypes assumptions as provided in RCW 28A.150.260. The superintendent shall make allocations to school districts based on the district's annual average full-time equivalent student enrollment in each grade.

(b) Additional certificated instructional staff units provided in this subsection (2) that exceed the minimum requirements in RCW 28A.150.260 are enhancements outside the program of basic education, except as otherwise provided in this section.

(c)(i) The superintendent shall base allocations for each level of prototypical school on the following regular education average class size of full-time equivalent students per teacher, except as provided in (c)(ii) of this subsection:

General education class size:

Grade	RCW 28A.150.260
Grades K-3	25.23
Grade 4	27.00
Grades 5-6	27.00
Grades 7-8	28.53
Grades 9-12	28.74

The superintendent shall base allocations for career and technical education (CTE) and skill center programs average class size as provided in RCW 28A.150.260.

(ii) For each level of prototypical school at which more than fifty percent of the students were eligible for free and reduced-price meals in the prior school year, the superintendent shall allocate funding based on the following average class size of full-time equivalent students per teacher:

General education class size in high poverty school:

Grades K-3	24.10
Grade 4	27.00
Grades 5-6	27.00
Grades 7-8	28.53
Grades 9-12	28.74

(iii) Pursuant to RCW 28A.150.260(4)(a), the assumed teacher planning period, expressed as a percentage of a teacher work day, is 13.42 percent in grades K-6, and 16.67 percent in grades 7-12; and

(iv) Laboratory science, advanced placement, and international baccalaureate courses are funded at the same class size assumptions as general education schools in the same grade; and

(d)(i) Funding for teacher librarians, school nurses, social workers, school psychologists, and guidance counselors is allocated based on the school prototypes as provided in RCW 28A.150.260 and is considered certificated instructional staff, except as provided in (d)(ii) of this subsection.

(ii) Students in approved career and technical education and skill center programs generate certificated instructional staff units to provide for the services of teacher librarians, school nurses, social workers, school psychologists, and guidance counselors at the following combined rate per 1000 students:

Career and Technical Education
students . . . . . 2.02 per 1000 student FTE's
Skill Center students . . . . . 2.36 per 1000 student FTE's

(3) ADMINISTRATIVE STAFF ALLOCATIONS

(a) Allocations for school building-level certificated administrative staff salaries for the 2011-12 and 2012-13 school years for general education students are determined using the formula-generated staff units provided in RCW 28A.150.260, and adjusted based on a district's annual average full-time equivalent student enrollment in each grade.

(b) Students in approved career and technical education and skill center programs generate certificated school building-level administrator staff units at per student rates that exceed the general education rate in (a) of this subsection by the following percentages:

Career and Technical Education students . . . . . 2.5 percent
Skill Center students . . . . . 19.75 percent

(4) CLASSIFIED STAFF ALLOCATIONS

Allocations for classified staff units providing school building-level and district-wide support services for the 2011-12 and 2012-13 school years are determined using the formula-generated staff units

provided in RCW 28A.150.260, and adjusted based on each district's annual average full-time equivalent student enrollment in each grade.

(5) CENTRAL OFFICE ALLOCATIONS

In addition to classified and administrative staff units allocated in subsections (3) and (4) of this section, classified and administrative staff units are provided for the 2011-12 and 2012-13 school year for the central office administrative costs of operating a school district, at the following rates:

(a) The total central office staff units provided in this subsection (5) are calculated by first multiplying the total number of eligible certificated instructional, certificated administrative, and classified staff units providing school-based or district-wide support services, as identified in RCW 28A.150.260(6)(b), by 5.3 percent.

(b) Of the central office staff units calculated in (a) of this subsection, 74.53 percent are allocated as classified staff units, as generated in subsection (4) of this section, and 25.47 percent shall be allocated as administrative staff units, as generated in subsection (3) of this section.

(c) Staff units generated as enhancements outside the program of basic education to the minimum requirements of RCW 28A.150.260, and staff units generated by skill center and career-technical students, are excluded from the total central office staff units calculation in (a) of this subsection.

(d) For students in approved career-technical and skill center programs, central office classified units are allocated at the same staff unit per student rate as those generated for general education students of the same grade in this subsection (5), and central office administrative staff units are allocated at staff unit per student rates that exceed the general education rate established for students in the same grade in this subsection (5) by 3.69 percent for career and technical education students, and 21.92 percent for skill center students.

(6) FRINGE BENEFIT ALLOCATIONS

Fringe benefit allocations shall be calculated at a rate of 16.33 percent in the 2011-12 school year and ((~~16.33~~)) 16.34 percent in the 2012-13 school year for certificated salary allocations provided under subsections (2), (3), and (5) of this section, and a rate of 18.73

percent in the 2011-12 school year and 18.73 percent in the 2012-13 school year for classified salary allocations provided under subsections (4) and (5) of this section.

(7) INSURANCE BENEFIT ALLOCATIONS

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

(a) The number of certificated staff units determined in subsections (2), (3), and (5) of this section; and

(b) The number of classified staff units determined in subsections (4) and (5) 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.

(8) MATERIALS, SUPPLIES, AND OPERATING COSTS (MSOC) ALLOCATIONS

Funding is allocated per annual average full-time equivalent student for the materials, supplies, and operating costs (MSOC) incurred by school districts, consistent with the requirements of RCW 28A.150.260.

(a) MSOC funding for general education students are allocated at the following per student rates:

MSOC RATES/STUDENT FTE

MSOC Component	2011-12 SCHOOL YEAR	2012-13 SCHOOL YEAR
Technology	((~~$57.42~~)) $57.37	((~~$58.17~~)) $58.29
Utilities and Insurance	((~~$156.03~~)) $155.88	((~~$158.05~~)) $158.37
Curriculum and Textbooks	((~~$61.65~~)) $61.59	((~~$62.45~~)) $62.58
Other Supplies and Library Materials	((~~$130.89~~)) $130.76	((~~$132.59~~)) $132.85
Instructional Professional Development for Certificated and Classified Staff	$9.53	((~~$9.66~~)) $9.68

Facilities Maintenance	((~~$77.30~~)) $77.22	((~~$78.30~~)) $78.46
Security and Central Office	((~~$53.55~~)) $53.50	((~~$54.25~~)) $54.35
TOTAL BASIC EDUCATION MSOC/STUDENT FTE	((~~$546.37~~)) $545.84	((~~$553.47~~)) $554.57

(b) Students in approved skill center programs generate per student FTE MSOC allocations which equal the rate for general education students calculated in (a) of this subsection, multiplied by a factor of 2.171.

(c) Students in approved exploratory and preparatory career and technical education programs generate a per student MSOC allocation that is equal to the rate for general education students calculated in (a) of this subsection, multiplied by a factor of 2.442.

(d) Students in laboratory science courses generate per student FTE MSOC allocations which equal the per student FTE rate for general education students established in (a) of this subsection.

(9) SUBSTITUTE TEACHER ALLOCATIONS

For the 2011-12 and 2012-13 school years, funding for substitute costs for classroom teachers is based on four (4) funded substitute days per classroom teacher unit generated under subsection (2) of this section, at a daily substitute rate of $151.86.

(10) ALTERNATIVE LEARNING EXPERIENCE PROGRAM FUNDING

(a) Amounts provided in this section are adjusted to reflect provisions of House Bill No. 2065 (allocation of funding for funding for students enrolled in alternative learning experiences).

(b) 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, as well as accurate, monthly headcount and FTE enrollment claimed for basic education, including separate counts of resident and nonresident students.

(11) VOLUNTARY FULL DAY KINDERGARTEN PROGRAMS

Funding in this section is sufficient to fund voluntary full day kindergarten programs in qualifying high poverty schools, pursuant to RCW 28A.150.220 and 28A.150.315. Each kindergarten student who enrolls

for the voluntary full-day program in a qualifying school shall count as one-half of one full-time equivalent student for purpose of making allocations under this section. Funding in this section provides full-day kindergarten programs for 21 percent of kindergarten enrollment in the 2011-12 school year, and 22 percent in the 2012-13 school year. Funding priority shall be given to schools with the highest poverty levels, as measured by prior year free and reduced price lunch eligibility rates in each school. Funding in this section is sufficient to fund voluntary full day kindergarten programs for July and August of the 2010-11 school year.

(12) ADDITIONAL FUNDING FOR SMALL SCHOOL DISTRICTS AND REMOTE AND NECESSARY PLANTS

For small school districts and remote and necessary school plants within any district which have been judged to be remote and necessary by the superintendent of public instruction, additional staff units are provided to ensure a minimum level of staffing support. Additional administrative and certificated instructional staff units provided to districts in this subsection shall be reduced by the general education staff units, excluding career and technical education and skills center enhancement units, otherwise provided in subsections (2) through (5) of this section on a per district basis.

(a) 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 superintendent of public instruction 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;

(b) 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 superintendent of public instruction:

(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;

(c) 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 school year 2011-12, 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 0.9732 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; and for school year 2012-13, for all other small high schools under this subsection, ((~~nine~~)) seven 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~~)) 0.6792 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;

(d) 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;

(e) 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;

(f)(i) For enrollments generating certificated staff unit allocations under (a) through (e) of this subsection, one classified staff unit for each 2.94 certificated staff units allocated under such subsections;

(ii) 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; and

(g) School districts receiving additional staff units to support small student enrollments and remote and necessary plants under subsection (12) of this section shall generate additional MSOC allocations consistent with the nonemployee related costs (NERC) allocation formula in place for the 2010-11 school year as provided section 502, chapter 37, Laws of 2010 1st sp. sess. (2010 supplemental budget), adjusted annually for inflation.

(13) 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.

(14) The superintendent may distribute funding for the following programs outside the basic education formula during fiscal years 2012 and 2013 as follows:

(a) $589,000 of the general fund--state appropriation for fiscal year 2012 and $597,000 of the general fund--state appropriation for

fiscal year 2013 are provided solely for fire protection for school districts located in a fire protection district as now or hereafter established pursuant to chapter 52.04 RCW.

(b) $436,000 of the general fund--state appropriation for fiscal year 2012 and $436,000 of the general fund--state appropriation for fiscal year 2013 are provided solely 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.

(c) Funding in this section is sufficient to fund adjustments to school districts' allocations resulting from the implementation of the prototypical school funding formula, pursuant to chapter 236, Laws of 2010 (K-12 education funding). The funding in this section is intended to hold school districts harmless in total for funding changes resulting from conversion to the prototypical school formula in the general apportionment program, the learning assistance program, the transitional bilingual program, and the highly capable program, after adjustment for changes in enrollment and other caseload adjustments.

(15) $208,000 of the general fund--state appropriation for fiscal year 2012 and $211,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for school district emergencies as certified by the superintendent of public instruction. At the close of the fiscal year the superintendent of public instruction shall report to the office of financial management and the appropriate fiscal committees of the legislature on the allocations provided to districts and the nature of the emergency.

(16) 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.

(17) Beginning in the 2011-12 school year, students participating in running start programs may be funded up to a combined maximum enrollment of 1.2 FTE including school district and institution of higher education enrollment. In calculating the combined 1.2 FTE, the office of the superintendent of public instruction may average the participating student's September through June enrollment to account for differences in the start and end dates for courses provided by the high school and higher education institution. Additionally, the office

of the superintendent of public instruction, in consultation with the state board for community and technical colleges, the higher education coordinating board, and the education data center, shall annually track and report to the fiscal committees of the legislature on the combined FTE experience of students participating in the running start program, including course load analyses at both the high school and community and technical college system.

(18) If two or more school districts consolidate and each district was receiving additional basic education formula staff units pursuant to subsection (12) of this section, the following 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 (12) of this section shall be reduced in increments of twenty percent per year.

(19)(a) Indirect cost charges by a school district to approved career and technical education middle and secondary programs shall not exceed 15 percent of the combined basic education and career and technical education program enhancement allocations of state funds. Middle and secondary career and technical education programs are considered separate programs for funding and financial reporting purposes under this section.

(b) Career and technical education program 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 career and technical education program enrollments on the same monthly basis as those adjustments for enrollment for students eligible for basic support.

<u>(20) $10,000,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for the superintendent for financial contingency funds for eligible school districts as a result of delaying a portion of the June apportionment payment. The financial</u>

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 2012-13 school year on the F-195 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 ten 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 2013, the superintendent shall deduct in state fiscal year 2014 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. 2011 2nd sp.s. c 9 s 503 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION EMPLOYEE COMPENSATION

(1) The following calculations determine the salaries used in the state allocations for certificated instructional, certificated administrative, and classified staff units as provided in RCW 28A.150.280 and under section 503 of this act:

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

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

(2) For the purposes of this section:

(a) "LEAP Document 1" means the staff mix factors for certificated instructional staff according to education and years of experience, as developed by the legislative evaluation and accountability program committee on May 23, 2011, at 16:10 hours; and

(b) "LEAP Document 2" means the school year salary allocations for certificated administrative staff and classified staff and derived and total base salaries for certificated instructional staff as developed by the legislative evaluation and accountability program committee on May 23, 2011, at 16:10 hours.

(3) Incremental fringe benefit factors are applied to salary adjustments at a rate of 15.69 percent for school year 2011-12 and ((~~15.69~~)) <u>15.70</u> percent for school year 2012-13 for certificated instructional and certificated administrative staff and 15.23 percent for school year 2011-12 and 15.23 percent for the 2012-13 school year for classified staff.

(4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary allocation schedules for certificated instructional staff are established for basic education salary allocations:

Table Of Total Base Salaries For Certificated Instructional Staff For School Year 2011-12

Education Experience

Years of Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	MA+90 OR Ph.D.
0	33,401	34,303	35,238	36,175	39,180	41,116	40,045	43,051	44,989
1	33,851	34,765	35,712	36,690	39,727	41,652	40,490	43,527	45,452
2	34,279	35,202	36,159	37,212	40,241	42,186	40,938	43,966	45,912
3	34,720	35,653	36,620	37,706	40,729	42,722	41,363	44,384	46,377
4	35,153	36,127	37,099	38,224	41,264	43,271	41,808	44,849	46,857
5	35,600	36,578	37,561	38,748	41,777	43,824	42,261	45,291	47,339
6	36,060	37,017	38,032	39,279	42,293	44,352	42,725	45,740	47,797
7	36,868	37,839	38,868	40,182	43,241	45,356	43,594	46,652	48,768
8	38,050	39,074	40,127	41,550	44,651	46,844	44,961	48,063	50,254
9		40,353	41,459	42,933	46,106	48,373	46,343	49,518	51,785
10			42,806	44,387	47,602	49,945	47,798	51,014	53,356
11				45,883	49,169	51,558	49,295	52,581	54,969
12				47,332	50,777	53,238	50,850	54,188	56,650
13					52,425	54,959	52,460	55,836	58,370
14					54,081	56,745	54,117	57,600	60,157
15					55,488	58,221	55,523	59,098	61,721
16 or more					56,597	59,385	56,634	60,279	62,955

Table Of Total Base Salaries For Certificated Instructional Staff For School Year 2012-13

Education Experience

Years of Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	MA+90 OR Ph.D.
0	33,401	34,303	35,238	36,175	39,180	41,116	40,045	43,051	44,989
1	33,851	34,765	35,712	36,690	39,727	41,652	40,490	43,527	45,452
2	34,279	35,202	36,159	37,212	40,241	42,186	40,938	43,966	45,912

3	34,720	35,653	36,620	37,706	40,729	42,722	41,363	44,384	46,377
4	35,153	36,127	37,099	38,224	41,264	43,271	41,808	44,849	46,857
5	35,600	36,578	37,561	38,748	41,777	43,824	42,261	45,291	47,339
6	36,060	37,017	38,032	39,279	42,293	44,352	42,725	45,740	47,797
7	36,868	37,839	38,868	40,182	43,241	45,356	43,594	46,652	48,768
8	38,050	39,074	40,127	41,550	44,651	46,844	44,961	48,063	50,254
9		40,353	41,459	42,933	46,106	48,373	46,343	49,518	51,785
10			42,806	44,387	47,602	49,945	47,798	51,014	53,356
11				45,883	49,169	51,558	49,295	52,581	54,969
12				47,332	50,777	53,238	50,850	54,188	56,650
13					52,425	54,959	52,460	55,836	58,370
14					54,081	56,745	54,117	57,600	60,157
15					55,488	58,221	55,523	59,098	61,721
16 or more					56,597	59,385	56,634	60,279	62,955

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

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

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

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

(5) For the purposes of this section:

(a) "BA" means a baccalaureate degree.

(b) "MA" means a masters degree.

(c) "PHD" means a doctorate degree.

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

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

(6) No more than ninety college quarter-hour credits received by any employee after the baccalaureate degree may be used to determine compensation allocations under the state salary allocation schedule and

LEAP documents referenced in this part V, or any replacement schedules and documents, unless:

(a) The employee has a masters degree; or

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

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

Sec. 504. 2011 2nd sp.s. c 9 s 504 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS

General Fund--Federal Appropriation $2,000

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

(1)(a) Additional salary adjustments as necessary to fund the base salaries for certificated instructional staff as listed for each district in LEAP Document 2, defined in section 504(2)(b) of this act. Allocations for these salary adjustments shall be provided to all districts that are not grandfathered to receive salary allocations above the statewide salary allocation schedule, and to certain grandfathered districts to the extent necessary to ensure that salary allocations for districts that are currently grandfathered do not fall below the statewide salary allocation schedule.

(b) Additional salary adjustments to certain districts as necessary to fund the per full-time-equivalent salary allocations for certificated administrative staff as listed for each district in LEAP Document 2, defined in section 504(2)(b) of this act.

(c) Additional salary adjustments to certain districts as necessary to fund the per full-time-equivalent salary allocations for classified staff as listed for each district in LEAP Document 2, defined in section 504(2)(b) of this act.

(d) The appropriations in this subsection (1) include associated incremental fringe benefit allocations at 15.69 percent for the 2011-12 school year and ((~~15.69~~)) 15.70 percent for the 2012-13 school year for certificated instructional and certificated administrative staff and 15.23 percent for the 2011-12 school year and 15.23 percent for the 2012-13 school year for classified staff.

(e) The appropriations in this section include the increased or decreased portion of salaries and incremental fringe benefits for all relevant state-funded school programs in part V of this act. Changes for general apportionment (basic education) are based on the salary allocation schedules and methodology in sections 503 and 504 of this act. Changes for special education result from changes in each district's basic education allocation per student. Changes for educational service districts and institutional education programs are determined by the superintendent of public instruction using the methodology for general apportionment salaries and benefits in sections 503 and 504 of this act.

(f) The appropriations in this section include no salary adjustments for substitute teachers.

(2) The maintenance rate for insurance benefit allocations is $768.00 per month for the 2011-12 and 2012-13 school years. The appropriations in this section reflect the incremental change in cost of allocating rates of $768.00 per month for the 2011-12 school year and $768.00 per month for the 2012-13 school year.

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

Sec. 505. 2011 2nd sp.s. c 9 s 505 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION

General Fund--State Appropriation (FY 2012) . . . . . ((~~$322,033,000~~))
$322,243,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$273,380,000~~))
$273,642,000

TOTAL APPROPRIATION . . . . . ((~~$595,413,000~~))
$595,885,000

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) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school district programs for the transportation of students as provided in RCW 28A.160.192.

(b) From July 1, 2011 to August 31, 2011, the superintendent shall allocate funding to school districts programs for the transportation of students as provided in section 505, chapter 564, Laws of 2009, as amended through section 1404 of this act.

(3) Any amounts appropriated for maintenance level funding for pupil transportation that exceed actual maintenance level expenditures as calculated under the funding formula that takes effect September 1, 2011, shall be distributed to districts according to RCW 28A.160.192(2)(b).

(4) A maximum of $892,000 of this fiscal year 2012 appropriation and a maximum of $892,000 of the fiscal year 2013 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.

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

(6) The superintendent of public instruction shall base depreciation payments for school district buses on the 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.

(7) Funding levels in this section reflect waivers granted by the state board of education for four-day school weeks as allowed under RCW 28A.305.141.

(8) Starting with the 2012-13 school year, the office of the superintendent of public instruction shall disburse payments for bus depreciation in August.

Sec. 506. 2011 2nd sp.s. c 9 s 507 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2012) . . . . . ((~~$653,904,000~~)) $648,314,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$694,237,000~~)) $679,820,000

General Fund--Federal Appropriation $486,936,000

Education Legacy Trust Account--State Appropriation $756,000

TOTAL APPROPRIATION . . . . . ((~~$1,835,833,000~~)) $1,815,826,000

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.

(c) 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.

(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)(a) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school district programs for special education students as provided in RCW 28A.150.390.

(b) From July 1, 2011 to August 31, 2011, the superintendent shall allocate funding to school district programs for special education students as provided in section 507, chapter 564, Laws of 2009, as amended through section 1406 of this act.

(5) The following applies throughout this section: The definitions for enrollment and enrollment percent are as specified in RCW 28A.150.390(3). 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.

(6) 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 RCW 28A.150.390(3) (c) and (d), 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.

(7) $8,914,000 of the general fund--state appropriation for fiscal year 2012, $34,200,000 of the general fund--state appropriation for fiscal year 2013, and $29,574,000 of the general fund--federal appropriation are provided solely for safety net awards for districts with demonstrated needs for special education funding beyond the amounts provided in subsection (4) of this section. If the federal safety net awards based on the federal eligibility threshold exceed the federal appropriation in this subsection (7) in any fiscal year, the superintendent shall expend all available federal discretionary funds necessary to meet this need. At the conclusion of each school year, the superintendent shall recover safety net funds that were distributed prospectively but for which districts were not subsequently eligible.

(a) For the 2011-12 and 2012-13 school years, safety net funds

shall be awarded by the state safety net oversight committee as provided in section 109(1) chapter 548, Laws of 2009 (ESHB 2261).

(b) From July 1, 2011 to August 31, 2011, the superintendent shall operate the safety net oversight committee and shall award safety net funds as provided in section 507, chapter 564, Laws of 2009, as amended through section 1406 of this act.

(8) 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.

(9) 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.

(10) 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.

(11) $251,000 of the general fund--state appropriation for fiscal year 2012 and $251,000 of the general fund--state appropriation for fiscal year 2013 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.

(12) $50,000 of the general fund--state appropriation for fiscal year 2012, $50,000 of the general fund--state appropriation for fiscal year 2013, 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. 507. 2011 2nd sp.s. c 9 s 508 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE DISTRICTS

General Fund--State Appropriation (FY 2012) . . . . . .((~~$7,889,000~~))

$7,894,000

General Fund--State Appropriation (FY 2013) . . . . . .((~~$7,904,000~~))

$4,439,000

TOTAL APPROPRIATION . . . . . ((~~$15,793,000~~))

$12,333,000

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) ((~~Funding within this section~~)) $3,466,000 of the general fund--state appropriation for fiscal year 2012 is provided 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.

(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. 508. 2011 2nd sp.s. c 9 s 509 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT ASSISTANCE

General Fund--State Appropriation (FY 2012) . . . . . ((~~$300,761,000~~))

$300,768,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$299,276,000~~))

$223,325,000

General Fund--Federal Appropriation $4,400,000

TOTAL APPROPRIATION . . . . . ((~~$600,037,000~~)) $528,493,000

The appropriations in this section are subject to the following conditions and limitations: For purposes of RCW 84.52.0531, the increase per full-time equivalent student is 3 percent from the 2010-11 school year to the 2011-12 school year and 5 percent from the 2011-12 school year to the 2012-13 school year.

Sec. 509. 2011 2nd sp.s. c 9 s 510 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2012) . . . . . ((~~$17,507,000~~)) $16,694,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$16,969,000~~)) $15,866,000

TOTAL APPROPRIATION . . . . . ((~~$34,476,000~~)) $32,560,000

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

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

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

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

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

(5) ((~~$669,000~~)) $586,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$669,000~~)) $549,000 of the general fund--

state appropriation for fiscal year 2013 are provided solely to maintain at least one certificated instructional staff and related support services at an institution whenever the K-12 enrollment is not sufficient to support one full-time equivalent certificated instructional staff to furnish the educational program. The following types of institutions are included: Residential programs under the department of social and health services for developmentally disabled juveniles, programs for juveniles under the department of corrections, programs for juveniles under the juvenile rehabilitation administration, and programs for juveniles operated by city and county jails.

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

Sec. 510. 2011 2nd sp.s. c 9 s 511 (uncodified) is amended to read as follows:

FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund--State Appropriation (FY 2012) . . . . . .((~~$8,759,000~~))
$8,745,000

General Fund--State Appropriation (FY 2013) . . . . . .((~~$8,842,000~~))
$8,789,000

TOTAL APPROPRIATION . . . . . ((~~$17,601,000~~))
$17,534,000

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) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school district programs for highly capable students as provided in RCW 28A.150.260(10)(c). In calculating the allocations, the superintendent shall assume the following: (i) Additional instruction of 2.1590 hours per week per funded highly capable program student; (ii) fifteen highly capable program students per teacher; (iii) 36 instructional weeks per year; (iv) 900 instructional hours per teacher; and (v) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(b) From July 1, 2011, to August 31, 2011, the superintendent shall allocate funding to school districts programs for highly capable students as provided in section 511, chapter 564, Laws of 2009, as amended through section 1409 of this act.

(3) $85,000 of the general fund--state appropriation for fiscal year 2012 and $85,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the centrum program at Fort Worden state park.

Sec. 511. 2011 2nd sp.s. c 9 s 513 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM PROGRAMS

General Fund--State Appropriation (FY 2012) $58,078,000
General Fund--State Appropriation (FY 2013) . . . . . ((~~$98,309,000~~))
$87,754,000
General Fund--Federal Appropriation $219,161,000
General Fund--Private/Local Appropriation $4,000,000
Education Legacy Trust Account--State Appropriation $1,598,000
TOTAL APPROPRIATION . . . . . .((~~$381,146,000~~))
$370,591,000

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

(1) $40,822,000 of the general fund--state appropriation for fiscal year 2012, ((~~$41,613,000~~)) $41,614,000 of the general fund--state appropriation for fiscal year 2013, $1,350,000 of the education legacy trust account--state appropriation, and $15,868,000 of the general fund--federal appropriation are provided solely for development and implementation of the Washington state assessment system, including: (a) Development and implementation of retake assessments for high school students who are not successful in one or more content areas and (b) 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. State funding shall be limited to one collection of evidence payment per student, per content-area assessment.

(2) $356,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$356,000~~)) $320,000 of the general fund--state appropriation for fiscal year 2013 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.

(3) $980,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$980,000~~)) $882,000 of the general fund--state appropriation for fiscal year 2013 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.

(4) $3,852,000 of the general fund--state appropriation for fiscal year 2012 and $2,624,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for continued implementation of chapter 235, Laws of 2010 (education reform) including development of new performance-based evaluation systems for certificated educators.

(5)(a) ((~~$40,681,000~~)) $30,997,000 of the general fund--state appropriation for fiscal year 2013 is 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 ((~~$5,090~~)) $4,000 per teacher in the 2011-12 and 2012-13 school years, adjusted for inflation in each school year in which Initiative 732 cost of living adjustments are provided;

(ii) An additional ((~~$5,000~~)) $4,000 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. Beginning in the 2011-12 school year, all bonuses in (a)(i) and (ii) of this subsection will be paid in July of each school year. Bonuses in (a)(i) and (ii) of this subsection shall be reduced by a factor of 40 percent for first year NBPTS certified teachers, to reflect the portion of the instructional school year they are certified; and

(iv) During the 2011-12 and 2012-13 school years, and within available funds, 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 loan of 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 conditional loan is provided in addition to compensation received under a district's salary schedule 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 conditional loan. 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. To the extent necessary, the superintendent may use revenues from the repayment of conditional loan scholarships to ensure payment of all national board bonus payments required by this section in each school year.

(6) $477,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$477,000~~)) <u>$430,000</u> of the general fund--state appropriation for fiscal year 2013 are provided solely for the

leadership internship program for superintendents, principals, and program administrators.

(7) $950,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$950,000~~)) $855,000 of the general fund--state appropriation for fiscal year 2013 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.

(8) $810,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$810,000~~)) $729,000 of the general fund--state appropriation for fiscal year 2013 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 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.

(9) $3,234,000 of the general fund--state appropriation for fiscal year 2012 and $3,234,000 of the general fund--state appropriation for fiscal year 2013 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.

(10) $1,500,000 of the general fund--state appropriation for fiscal year 2012 and $1,500,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the implementation of chapter

288, Laws of 2011 (actual student success program), including allocations to the opportunity internship program, the jobs for America's graduates program, the building bridges program, services provided by a college scholarship organization. Funding shall not be used in the 2011-2013 fiscal biennium to provide awards for schools and school districts.

(11) $859,000 of the general fund--state appropriation for fiscal year 2012, $846,000 of the general fund--state appropriation for fiscal year 2013, and $248,000 of the education legacy trust account--state appropriation are for administrative support of education reform programs.

(12) $2,000,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$2,000,000~~)) $1,800,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for a statewide information technology (IT) academy program. This public-private partnership will provide educational software, as well as IT certification and software training opportunities for students and staff in public schools.

(13) $977,000 of the general fund--state appropriation for fiscal year 2012 and $977,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for secondary career and technical education grants pursuant to chapter 170, Laws of 2008. If equally matched by private donations, $300,000 of the 2012 appropriation and $300,000 of the 2013 appropriation shall be used to support FIRST robotics programs.

(14) $125,000 of the general fund--state appropriation for fiscal year 2012 and $125,000 of the general fund--state appropriation for fiscal year 2013 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 with professional development training for implementing integrated math, science, technology, and engineering programs in their schools.

(15) $135,000 of the general fund--state appropriation for fiscal year 2012 and ((~~$135,000~~)) $122,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for science,

technology, engineering and mathematics lighthouse projects, consistent with chapter 238, Laws of 2010.

(16) $1,000,000 of the general fund--state appropriation for fiscal year 2012 ((~~and $1,000,000 of the general fund--state appropriation for fiscal year 2013 are~~)) is provided solely for a beginning educator support program. School districts and/or regional consortia may apply for grant funding. 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 statewide professional development opportunities for mentors and beginning educators.

(17) $250,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for advanced project lead the way courses at ten high schools. To be eligible for funding, a high school must have offered a foundational project lead the way course during the 2011-12 school year. The funding must be used for one-time start-up course costs for an advanced project lead the way course, to be offered to students beginning in the 2012-13 school year. The office of the superintendent of public instruction and the education research and data center at the office of financial management shall track student participation and long-term outcome data.

(18) $150,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for aerospace and manufacturing technical programs housed at two skill centers. The one-time funding is provided for start-up equipment and curriculum purchases. To be eligible for funding, the skill center must agree to provide regional high schools with access to a technology laboratory, expand manufacturing certificate and course offerings at the skill center, and provide a laboratory space for local high school teachers to engage in professional development in the instruction of courses leading to student employment certification in the aerospace and manufacturing industries. The office of the superintendent of instruction shall administer the grants in consultation with the center for excellence for aerospace and advanced materials manufacturing.

(19) $300,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for start-up grants to twelve high schools to implement the aerospace assembler program. Participating high schools must agree to offer the aerospace assembler training program to students by spring semester of school year 2012-13. The office of the superintendent of public instruction and the education research and data center at the office of financial management shall track student participation and long-term outcome data.

Sec. 512. 2011 2nd sp.s. c 9 s 514 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL BILINGUAL PROGRAMS

General Fund--State Appropriation (FY 2012) . . . . . ((~~$79,496,000~~))
$79,575,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$82,856,000~~))
$80,666,000

General Fund--Federal Appropriation $71,001,000

TOTAL APPROPRIATION . . . . . ((~~$233,353,000~~))
$231,242,000

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) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school districts for transitional bilingual programs as provided in RCW 28A.150.260(10)(b). In calculating the allocations, the superintendent shall assume the following averages: (i) Additional instruction of 4.7780 hours per week per transitional bilingual program student; (ii) fifteen transitional bilingual program students per teacher; (iii) 36 instructional weeks per year; (iv) 900 instructional hours per teacher; and (v) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(b) From July 1, 2011, to August 31, 2011, the superintendent shall allocate funding to school districts for transitional bilingual

instruction programs as provided in section 514, chapter 564, Laws of 2009, as amended through section 1411 of this act.

(c) The allocations in this section reflect the implementation of a new funding formula for the transitional bilingual instructional program, effective September 1, 2011, as specified in RCW 28A.150.260(10)(b).

(3) The superintendent may withhold allocations to school districts in subsection (2) of this section solely for the central provision of assessments as provided in RCW 28A.180.090 (1) and (2) up to the following amounts: 2.79 percent for school year 2011-12 and ((~~2.09~~)) 2.11 percent for school year 2012-13.

(4) The general fund--federal appropriation in this section is for migrant education under Title I Part C and English language acquisition, and language enhancement grants under Title III of the elementary and secondary education act.

(5)((~~(a) The office of the superintendent of public instruction shall implement a funding model for the transitional bilingual program, beginning in school year 2012-13, that is scaled to provide more support to students requiring most intensive intervention, (students with beginning levels of English language proficiency) and less support to students requiring less intervention. The funding model shall also provide up to two years of bonus funding upon successful exit from the bilingual program to facilitate successful transition to a standard program of education.~~

~~(b) It is expected that per-pupil funding for level 2 proficiency will be set at the same level as would have been provided statewide prior to establishing differential per-pupil amounts; level 1 will be 125 percent of level 2; level 3 through the level prior to exit will be 75 percent of level 2; and two bonus years upon successful demonstration of proficiency will be 100 percent of level 2. Prior to implementing in school year 2012-13, the office of the superintendent of public instruction shall provide to the senate and house of representatives ways and means committees recommended rates based on the results of proficiency test procurement, expressed as both per-pupil rates and hours of instruction as provided in RCW 28A.150.260(10)(b).~~

~~(c) Each bilingual student shall be tested for proficiency level and, therefore, eligibility for the transitional bilingual program each~~

~~year. The bonus payments for up to two school years following successful exit from the transitional bilingual program shall be allocated to the exiting school district. If the student graduates or transfers to another district prior to the district receiving both years' bonuses, the district shall receive the bonus for only the length of time the student remains enrolled in the exiting district.~~

~~(d) The quality education council shall examine the revised funding model developed under this subsection and provide a report to the education and fiscal committees of the legislature by December 1, 2011, that includes recommendations for:~~

~~(i) Changing the prototypical school funding formula for the transitional bilingual program to align with the revised model in an accurate and transparent manner;~~

~~(ii) Reconciling the revised model with statutory requirements for categorical funding of the transitional bilingual instructional program that is restricted to students eligible for and enrolled in that program;~~

~~(iii) Clarifying the elements of the transitional bilingual instructional program that fall under the definition of basic education and the impact of the revised model on them; and~~

~~(iv) The extent that the disparate financial impact of the revised model on different school districts should be addressed and options for addressing it.~~

~~(e) The office of the superintendent of public instruction shall report to the senate and house of representatives ways and means committees and education committees annually by December 31st of each year, through 2018, regarding any measurable changes in proficiency, time-in-program, and transition experience.~~

~~(6)~~)) $35,000 of the general fund--state appropriation for fiscal year 2012 and $35,000 of the general fund--state appropriation for fiscal year 2013 are provided solely to track current and former transitional bilingual program students.

Sec. 513. 2011 2nd sp.s. c 9 s 515 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING ASSISTANCE PROGRAM

General Fund--State Appropriation (FY 2012) . . . . . ((~~$102,470,000~~))

$102,619,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$103,666,000~~))

$128,780,000

General Fund--Federal Appropriation $492,207,000

Education Legacy Trust Account--State

Appropriation . . . . . ((~~$47,980,000~~))

$23,990,000

TOTAL APPROPRIATION . . . . . ((~~$746,323,000~~))

$747,596,000

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

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

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

(b)(i) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school districts for learning assistance programs as provided in RCW 28A.150.260(10)(a). In calculating the allocations, the superintendent shall assume the following averages: (A) Additional instruction of 1.51560 hours per week per funded learning assistance program student; (B) fifteen learning assistance program students per teacher; (C) 36 instructional weeks per year; (D) 900 instructional hours per teacher; and (E) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(ii) From July 1, 2011, to August 31, 2011, the superintendent shall allocate funding to school districts for learning assistance programs as provided in section 515, chapter 564, Laws of 2009, as amended through section 1412 of this act.

(c) A school district's funded students for the learning assistance program shall be the sum of the district's full-time equivalent enrollment in grades K-12 for the prior school year multiplied by the district's percentage of October headcount enrollment in grades K-12 eligible for free or reduced price lunch in the prior school year.

(2) Allocations made pursuant to subsection (1) of this section shall be adjusted to reflect ineligible applications identified through

the annual income verification process required by the national school lunch program, as recommended in the report of the state auditor on the learning assistance program dated February, 2010.

(3) The general fund--federal appropriation in this section is provided for Title I Part A allocations of the no child left behind act of 2001.

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

(5) The office of the superintendent of public instruction shall research and recommend options for an adjustment factor for middle school and high school free and reduced price lunch eligibility reporting rates pursuant to RCW 28A.150.260(12)(a), and submit a report to the fiscal committees of the legislature by June 1, 2012. For the 2011-12 and 2012-13 school years, the adjustment factor is 1.0.

Sec. 514. 2011 1st sp.s. c 50 s 516 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) Amounts distributed to districts by the superintendent through part V of this act are for allocations purposes only and do not entitle a particular district, district employee, or student to a specific service, beyond what has been expressly provided in statute. Part V of this act restates the requirements of various sections of Title 28A RCW. If any conflict exists, the provisions of Title 28A RCW control unless this act explicitly states that it is providing an enhancement. Any amounts provided in part V of this act in excess of the amounts required by Title 28A RCW provided in statute, are not within the program of basic education.

(2) To the maximum extent practicable, when adopting new or revised rules or policies relating to the administration of allocations in part V of this act that result in fiscal impact, the office of the superintendent of public instruction shall attempt to seek legislative approval through the budget request process.

(3) Appropriations made in this act to the office of the superintendent of public instruction shall initially be allotted as

required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act except as expressly provided in subsection (4) of this section.

(4) The appropriations to the office of the superintendent of public instruction in this act shall be expended for the programs and amounts specified in this act. However, after May 1, 2012, unless specifically prohibited by this act and after approval by the director of financial management, the superintendent of public instruction may transfer state general fund appropriations for fiscal year 2012 among the following programs to meet the apportionment schedule for a specified formula in another of these programs: General apportionment; employee compensation adjustments; pupil transportation; special education programs; institutional education programs; transitional bilingual programs; and learning assistance programs.

(5) The director of financial management shall notify the appropriate legislative fiscal committees in writing prior to approving any allotment modifications or transfers under this section.

(End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 2011 1st sp.s. c 50 s 602 (uncodified) is amended to read as follows:

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

	2011-12 Annual Average	2012-13 Annual Average
University of Washington	((~~37,162~~)) 36,875	((~~37,162~~)) 36,875
Washington State University	((~~22,228~~)) 22,058	((~~22,228~~)) 22,058
Central Washington University	((~~8,808~~)) 8,711	((~~8,808~~)) 8,711
Eastern Washington University	((~~8,734~~)) 8,630	((~~8,734~~)) 8,630
The Evergreen State College	((~~4,213~~)) 4,166	((~~4,213~~)) 4,166
Western Washington University	((~~11,762~~)) 11,664	((~~11,762~~)) 11,664
State Board for Community & Technical Colleges		
Adult Students	((~~139,237~~)) 136,668	((~~139,237~~)) 136,668
Running Start Students	11,558	11,558

(2) In achieving or exceeding these enrollment targets, each institution shall seek to:

(a) Maintain and to the extent possible increase enrollment opportunities at branch campuses;

(b) Maintain and to the extent possible increase enrollment opportunities at university centers and other partnership programs that enable students to earn baccalaureate degrees on community college campuses; and

(c) Eliminate and consolidate programs of study for which there is limited student or employer demand, or that are not areas of core academic strength for the institution, particularly when such programs duplicate offerings by other in-state institutions.

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

Sec. 602. 2011 2nd sp.s. c 9 s 601 (uncodified) is amended to read as follows:

FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

General Fund--State Appropriation (FY 2012) . . . . . ((~~$533,009,000~~))
$515,485,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$525,644,000~~))
$510,102,000

Community/Technical College Capital Projects
Account--State Appropriation . . . . . ((~~$8,037,000~~))
$12,793,000

Education Legacy Trust Account--State Appropriation $95,370,000

TOTAL APPROPRIATION . . . . . ((~~$1,162,060,000~~))
$1,133,750,000

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

(1) $28,761,000 of the general fund--state appropriation for fiscal year 2012 and $28,761,000 of the general fund--state appropriation for fiscal year 2013 are provided solely as special funds for training and related support services, including financial aid, as specified in RCW 28C.04.390. Funding is provided to support at least 6,200 full-time equivalent students in fiscal year 2012 and at least 6,200 full-time equivalent students in fiscal year 2013.

(2) $2,725,000 of the general fund--state appropriation for fiscal year 2012 and $2,725,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for administration and customized training contracts through the job skills program. The state board shall make an annual report by January 1st of each year to the governor and to the appropriate policy and fiscal committees of the legislature regarding implementation of this section, listing the scope of grant awards, the distribution of funds by educational sector and region of the state, and the results of the partnerships supported by these funds.

(3) $4,500,000 of the general fund--state appropriation for fiscal year 2012 and $4,500,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for worker retraining.

(4) Of the amounts appropriated in this section, $5,000,000 is provided solely for the student achievement initiative.

(5) When implementing the appropriations in this section, the state board and the trustees of the individual community and technical colleges shall minimize impact on academic programs, maximize reductions in administration, and shall at least maintain, and endeavor to increase, enrollment opportunities and degree and certificate production in high employer-demand fields of study at their academic year 2008-09 levels.

(6) Community and technical colleges are not required to send mass mailings of course catalogs to residents of their districts. Community and technical colleges shall consider lower cost alternatives, such as mailing postcards or brochures that direct individuals to online information and other ways of acquiring print catalogs.

(7) Bellevue college is authorized to offer ((~~applied~~)) baccalaureate degrees in information technology, health care services and management, biotechnology, and preprofessional preparation for medical fields. These degrees shall be directed at high school graduates and transfer-oriented degree and professional and technical degree holders. In fiscal year 2012, Bellevue college will develop a two-year plan for offering these new degrees. The plan will assume funding for these new degrees shall come through redistribution of its current per full-time enrollment funding. The plan shall be delivered to the legislature by June 30, 2012.

(8) The Seattle community college district is authorized to offer ((~~applied~~)) baccalaureate degree programs in business/international business and technology management, interactive and artistic digital media, sustainability, building science technology, and allied and global health. These degrees shall be directed at high school graduates and professional and technical degree holders. In fiscal year 2012, Seattle community colleges shall develop a two-year plan for offering these new degrees. The plan will assume that funding for these new degrees comes through redistribution of its current per full-time enrollment funding. The plan shall be delivered to the legislature by June 30, 2012.

(9) $100,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for the Jefferson education center.

(10) $2,000,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for an expansion in enrollments in science, technology, engineering, and math. Amounts provided in this subsection may be used only to provide direct student services and may not be used to cover other operating costs. By June 30, 2012, the state board for community and technical colleges shall provide a report to the legislature that provides specific detail on how these amounts will be spent. Each June 30th thereafter, the state board for community and technical colleges shall provide an updated report that provides specific detail on how these amounts were spent in the preceding twelve months.

(11) Amounts appropriated in this section are sufficient for the state board for community and technical colleges to conduct a comprehensive review of its tuition waiver policies. The resulting report shall include an overview of tuition waiver uses and costs (forgone revenue) and outcomes and any recommendations for changes to tuition waiver policy and shall be provided to the legislature no later than December 1, 2012.

Sec. 603. 2011 2nd sp.s. c 9 s 602 (uncodified) is amended to read as follows:

FOR THE UNIVERSITY OF WASHINGTON

General Fund--State Appropriation (FY 2012) . . . . . ((~~$201,388,000~~))
$194,617,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$206,358,000~~))
$203,269,000

Education Legacy Trust Account--State Appropriation $18,579,000

Economic Development Strategic Reserve Account--
State Appropriation $1,500,000

Biotoxin Account--State Appropriation $450,000

Accident Account--State Appropriation $6,699,000

Medical Aid Account--State Appropriation $6,502,000

TOTAL APPROPRIATION . . . . . ((~~$439,976,000~~))
$431,616,000

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 noninstructional activities.

(2) $150,000 of the general fund--state appropriation for fiscal year 2012 and $150,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the development of integrated medical curriculum for the Washington/Wyoming/Alaska/Montana/Idaho (WWAMI) medical education program in Spokane and eastern Washington. Funding is contingent on appropriations being provided to Washington State University for WWAMI program expansion in Spokane and eastern Washington.

(3) $52,000 of the general fund--state appropriation for fiscal year 2012 and $52,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the center for international trade in forest products in the college of forest resources.

(4) $88,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 5485 (state's natural resources). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(5) $143,000 of the general fund--state appropriation for fiscal year 2012 and $144,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the ongoing management of the Washington park arboretum.

(6) $3,800,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for an expansion in engineering enrollments. Amounts provided in this subsection may be used only to provide direct student services and may not be used to cover other engineering program or university operating costs. By June 30, 2012, the university shall provide a report to the legislature that provides specific detail on how these amounts will be spent. Each September 1st thereafter, the university shall provide an updated report that provides specific detail on how these amounts were spent in the preceding twelve months.

(7) Amounts appropriated in this section are sufficient for the university to conduct a comprehensive review of its tuition waiver policies. The resulting report shall include an overview of tuition

waiver uses and costs (forgone revenue) and outcomes and any recommendations for changes to tuition waiver policy and shall be provided to the legislature no later than December 1, 2012.

Sec. 604. 2011 2nd sp.s. c 9 s 603 (uncodified) is amended to read as follows:

FOR WASHINGTON STATE UNIVERSITY

General Fund--State Appropriation (FY 2012) . . . . . ((~~$134,512,000~~)) $129,836,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$136,087,000~~)) $135,293,000

Education Legacy Trust Account--State Appropriation $33,065,000

TOTAL APPROPRIATION . . . . . ((~~$303,664,000~~)) $298,194,000

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 noninstructional activities.

(2) Within available funds, Washington State University shall serve an additional cohort of fifteen full-time equivalent students in the mechanical engineering program located at Olympic College.

(3) $300,000 of the general fund--state appropriation for fiscal year 2012 and $300,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the expansion of health sciences capacity through the Washington/Wyoming/Alaska/Montana/Idaho (WWAMI) medical education program in Spokane and eastern Washington. Funding is contingent on appropriations being provided to the University of Washington for integrated medical curriculum development for WWAMI.

(4) $3,800,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for an expansion in engineering enrollments. Amounts provided in this subsection may be used only to provide direct student services and may not be used to cover other engineering program or university operating costs. By June 30, 2012, the university shall provide a report to the legislature that provides specific detail on how these amounts will be spent. Each June 30th

thereafter, the university shall provide an updated report that provides specific detail on how these amounts were spent in the preceding twelve months.

(5) Amounts appropriated in this section are sufficient for the university to conduct a comprehensive review of its tuition waiver policies. The resulting report shall include an overview of tuition waiver uses and costs (forgone revenue) and outcomes and any recommendations for changes to tuition waiver policy and shall be provided to the legislature no later than December 1, 2012.

Sec. 605. 2011 2nd sp.s. c 9 s 604 (uncodified) is amended to read as follows:

FOR EASTERN WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2012) . . . . . ((~~$26,257,000~~))
$25,194,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$26,541,000~~))
$25,475,000

Education Legacy Trust Account--State Appropriation $16,087,000

TOTAL APPROPRIATION . . . . . ((~~$68,885,000~~))
$66,756,000

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 noninstructional activities.

(2) At least $200,000 of the general fund--state appropriation for fiscal year 2012 and at least $200,000 of the general fund--state appropriation for fiscal year 2013 shall be expended on the Northwest autism center.

(3) Amounts appropriated in this section are sufficient for the university to conduct a comprehensive review of its tuition waiver policies. The resulting report shall include an overview of tuition waiver uses and costs (forgone revenue) and outcomes and any recommendations for changes to tuition waiver policy and shall be provided to the legislature no later than December 1, 2012.

Sec. 606. 2011 2nd sp.s. c 9 s 605 (uncodified) is amended to read as follows:

FOR CENTRAL WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2012) . . . . . ((~~$22,468,000~~))
$21,475,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$22,525,000~~))
$21,530,000

Education Legacy Trust Account--State Appropriation $19,076,000

TOTAL APPROPRIATION . . . . . ((~~$64,069,000~~))
$62,081,000

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 noninstructional activities.

(2) Amounts appropriated in this section are sufficient for the university to conduct a comprehensive review of its tuition waiver policies. The resulting report shall include an overview of tuition waiver uses and costs (forgone revenue) and outcomes and any recommendations for changes to tuition waiver policy and shall be provided to the legislature no later than December 1, 2012.

Sec. 607. 2011 2nd sp.s. c 9 s 606 (uncodified) is amended to read as follows:

FOR THE EVERGREEN STATE COLLEGE

General Fund--State Appropriation (FY 2012) . . . . . ((~~$15,595,000~~))
$15,043,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$15,339,000~~))
$14,849,000

Education Legacy Trust Account--State Appropriation $5,450,000

TOTAL APPROPRIATION . . . . . ((~~$36,384,000~~))
$35,342,000

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 noninstructional activities.

(2) $50,000 of the general fund--state appropriation for fiscal year 2012 and $25,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the Washington state institute for public policy to conduct a detailed study of the commitment of sexually violent predators to the special commitment center pursuant to chapter 71.09 RCW and the subsequent release of those persons to less-restrictive alternatives.

(a) Specifically, the institute's study shall examine:

(i) The projected future demand for the special commitment center, including profiles and characteristics of persons referred and committed to the special commitment center since its inception, whether the profiles of those persons have changed over time, and, given current trends, the likelihood of the continuing rate of referral;

(ii) Residents' participation in treatment over time and the impact of treatment on eventual release to a less-restrictive alternative;

(iii) The annual review process and the process for a committed person to petition for conditional or unconditional release, specifically:

(A) The time frames for conducting mandatory reviews;

(B) The role of the special commitment center clinical team;

(C) Options and standards utilized by other jurisdictions or similar processes to conduct periodic reviews, including specialized courts, parole boards, independent review boards, and other commitment proceedings;

(iv) The capacity and future demand for appropriate less restrictive alternatives for moving residents out of the special commitment center, including:

(A) The capacity and demand for secure community transition facilities;

(B) Options for specialized populations such as the elderly or those with developmental disabilities and whether more cost-efficient options might be used to house those populations while keeping the public safe;

(C) Prospects for moving residents to noninstitutionalized settings beyond a secure community transition facility.

(b) The department of social and health services shall cooperate with the institute in conducting its examination and must provide the institute with requested data and records in a timely manner.

(c) The institute shall provide a status report to the governor and the legislature no later than November 1, 2011, with a final report due no later than November 1, 2012.

(3) $50,000 of the general fund--state appropriation for fiscal year 2012 and $50,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the institute for public policy to provide research support to the council on quality education.

(4) 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.

(5) Funding provided in this section is sufficient for The Evergreen State College to continue operations of the Longhouse Center and the Northwest Indian applied research institute.

(6) If, and to the extent that private funding is available for this purpose, the Washington state institute for public policy shall study and report on the child welfare and educational characteristics and outcomes for foster youth who are served by educational advocates. The department of social and health services and the office of the superintendent of public instruction shall facilitate researchers' access to data necessary to effectively complete the study. The institute shall submit an interim report with baseline characteristics of youth served by educational advocates by December 2011 and a final report by October 31, 2012, to the governor and to the appropriate committees of the legislature.

(7) $75,000 of the general fund--state appropriation for fiscal year 2012 is provided to the Washington state institute for public

policy (WSIPP) to conduct a review of state investments in the family caregiver and support program. Funding for this program is provided by assumed savings from diverting seniors from entering into long-term care medicaid placements by supporting informal caregivers. WSIPP shall work with the department of social and health services to establish and review outcome data for this investment. A preliminary report on the outcomes of the investment into this program is due to the appropriate legislative committees by December 15, 2011, and a final report is due to the appropriate legislative committees by August 30, 2012.

(8) $13,000 of the general fund--state appropriation for fiscal year 2013 is provided solely to implement Second Substitute House Bill No. 2289 (child protective services). If the bill is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

(9) $50,000 of the general fund--state appropriation for fiscal year 2013 is provided solely to implement Second Substitute House Bill No. 2264 (child welfare/contracting). If the bill is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

(10) Amounts appropriated in this section are sufficient for the college to conduct a comprehensive review of its tuition waiver policies. The resulting report shall include an overview of tuition waiver uses and costs (forgone revenue) and outcomes and any recommendations for changes to tuition waiver policy and shall be provided to the legislature no later than December 1, 2012.

Sec. 608. 2011 2nd sp.s. c 9 s 607 (uncodified) is amended to read as follows:

FOR WESTERN WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2012) . . . . . ((~~$33,754,000~~))
$32,756,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$33,743,000~~))
$32,743,000

Education Legacy Trust Account--State Appropriation $13,266,000

TOTAL APPROPRIATION . . . . . ((~~$80,763,000~~))
$78,765,000

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 noninstructional activities.

(2) Amounts appropriated in this section are sufficient for the university to conduct a comprehensive review of its tuition waiver policies. The resulting report shall include an overview of tuition waiver uses and costs (forgone revenue) and outcomes and any recommendations for changes to tuition waiver policy and shall be provided to the legislature no later than December 1, 2012.

NEW SECTION. **Sec. 609.** 2011 2nd sp.s. c 9 s 610 (uncodified) and 2011 1st sp.s. c 50 s 614 (uncodified) are repealed.

NEW SECTION. **Sec. 610.** 2011 2nd sp.s. c 9 s 611 (uncodified) and 2011 1st sp.s. c 50 s 615 (uncodified) are repealed.

NEW SECTION. **Sec. 611.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

FOR THE OFFICE OF THE STUDENT ACHIEVEMENT COUNCIL--POLICY COORDINATION AND ADMINISTRATION

General Fund--State Appropriation (FY 2013) $8,930,000
General Fund--Federal Appropriation $2,377,000
TOTAL APPROPRIATION $11,307,000

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

(1) The office of the student achievement council is authorized to increase or establish fees for initial degree authorization, degree authorization renewal, degree authorization reapplication, new program applications, and new site applications pursuant to RCW 28B.85.060.

(2) $600,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for the implementation of House Bill No. 2483 (increasing educational attainment). If the bill is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

(3) $4,400,000 of the general fund--federal appropriation for fiscal year 2013 is provided solely for the STEM degree incentive program. The office of the student achievement council shall, by September 1, 2012, award these funds on a competitive basis to the

public baccalaureate institution or institutions that demonstrate the greatest capacity to efficiently produce quality graduates in science technology engineering and math (STEM). Before receiving an award under this program, each recipient institution must provide a comprehensive plan which demonstrates that amounts received will be used only for incremental STEM degree production and not for general operating purposes.

NEW SECTION. **Sec. 612.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

FOR THE OFFICE OF THE STUDENT ACHIEVEMENT COUNCIL--OFFICE OF STUDENT FINANCIAL ASSISTANCE

General Fund--State Appropriation (FY 2013) $236,989,000
General Fund--Federal Appropriation $5,816,000
Washington Opportunity Pathways Account--State
Appropriation $73,500,000
TOTAL APPROPRIATION $316,305,000

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

(1) $227,018,000 of the general fund--state appropriation for fiscal year 2013, and $73,500,000 of the opportunity pathways account--state appropriation are provided solely for student financial aid payments under the state need grant and the state work study programs including up to a four percent administrative allowance for the state work study program.

(2) 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, and shall include students enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits. The office of student financial assistance shall report to the legislature by December 1, 2013, regarding the number of students enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits, and their academic progress including degree completion. 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. Students with incomes between zero and 50 percent of the MFI shall receive 96.5

percent of the maximum award. 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: 67.5 percent for students with family incomes between 51 and 55 percent MFI; 63 percent for students with family incomes between 56 and 60 percent MFI; 58 percent for students with family incomes between 61 and 65 percent MFI; and 48 percent for students with family incomes between 66 and 70 percent MFI.

(3) $1,250,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for implementation of the aerospace training scholarship and student loan program as specified in Engrossed Substitute House Bill No. 1846 (aerospace student loans). If the bill is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

(4) For fiscal year 2013, 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.

(5) $1,000,000 of the education legacy trust account--state appropriation is provided solely for the gaining early awareness and readiness for undergraduate programs project.

(6) $1,500,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for the leadership 1000 program.

(7) $2,436,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for the passport to college program. The maximum scholarship award shall be $5,000. The board shall contract with a nonprofit organization to provide support services to increase student completion in their postsecondary program and shall, under this contract, provide a minimum of $500,000 in fiscal year 2013 for this purpose.

(8) In addition to the entities listed in RCW 28B.122.010, the aerospace student loan program may provide loans to students attending an aerospace training program at Renton technical college.

(9) The department of health and office of the student achievement council shall consider a shortage of psychiatrists at state mental health facilities to be a health professional shortage area.

Consequently, psychiatrists working at state mental health facilities qualify for awards from available funds in the health professional loan repayment and scholarship program fund. Within available amounts in the fund, the psychiatrists described in this subsection shall receive priority funding for loan repayments and scholarships.

Sec. 613. 2011 1st sp.s. c 50 s 616 (uncodified) is amended to read as follows:

FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD

General Fund--State Appropriation (FY 2012) . . . . . .((~~$1,382,000~~))
$1,312,000

General Fund--State Appropriation (FY 2013) . . . . . .((~~$1,388,000~~))
$1,655,000

General Fund--Federal Appropriation $62,758,000

TOTAL APPROPRIATION . . . . . ((~~$65,528,000~~))
$65,725,000

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

(1) For the 2011-2013 fiscal biennium the board shall not designate recipients of the Washington award for vocational excellence or recognize them at award ceremonies as provided in RCW 28C.04.535.

(2) $205,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for the implementation of Second Substitute House Bill No. 2170 (career pathways act). If the bill is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

(3) $131,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for the implementation of Second Substitute House Bill No. 2156 (workforce training/aerospace). If the bill is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

Sec. 614. 2011 2nd sp.s. c 9 s 612 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF EARLY LEARNING

General Fund--State Appropriation (FY 2012) . . . . . ((~~$27,571,000~~))
$26,338,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$27,558,000~~))

$27,476,000

General Fund--Federal Appropriation . . . . . .((~~$261,753,000~~)) $280,084,000

Opportunity Pathways Account--State Appropriation . . . ((~~$80,000,000~~)) $78,000,000

TOTAL APPROPRIATION . . . . . ((~~$396,882,000~~)) $411,898,000

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

(1) $16,028,000 of the general fund--state appropriation for fiscal year 2012, ((~~$16,028,000~~)) $18,028,000 of the general fund--state appropriation of fiscal year 2013, ((~~$80,000,000~~)) $78,000,000 of the opportunity pathways account appropriation, and $2,256,000 of the general fund--federal appropriation are provided solely for the early childhood education assistance program services. Of these amounts, $10,284,000 is a portion of the biennial amount of state maintenance of effort dollars required to receive federal child care and development fund grant dollars.

(2) In accordance to RCW 43.215.255(2) and 43.135.055, the department is authorized to increase child care center and child care family home licensure fees in fiscal years 2012 and 2013 for costs to the department for the licensure activity, including costs of necessary inspection. These increases are necessary to support expenditures authorized in this section.

(3) $638,000 of the general fund--state appropriation for fiscal year 2012 and $638,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for child care resource and referral network services.

(4) $200,000 of the general fund--state appropriation for fiscal year 2012 and $200,000 of the general fund--state appropriation for fiscal year 2013 are provided solely to develop and provide culturally relevant supports for parents, family, and other caregivers.

(5) 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 fund the child care subsidies paid by the department of social and health services on behalf of the department of early learning.

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

(7) $934,000 of the general fund--state appropriation for fiscal year 2012, $934,000 of the general fund--state appropriation for fiscal year 2013, and $2,400,000 of the general fund--federal appropriation are provided solely for expenditure into the home visiting services account. This funding is intended to meet federal maintenance of effort requirements and to secure private matching funds.

(8) In addition to groups that were given prioritized access to the working connections child care program effective March 1, 2011, the department shall also give prioritized access into the program to families in which a parent of a child in care is a minor who is not living with a parent or guardian and who is a full-time student in a high school that has a school-sponsored on-site child care center.

(9) 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.

(10) $2,522,000 of the general fund--state appropriation for fiscal year 2012, $2,522,000 of the general fund--state appropriation for fiscal year 2013, and $4,304,000 of the general fund--federal appropriation are provided solely for the medicaid treatment child care (MTCC) program. The department shall contract for MTCC services to provide therapeutic child care and other specialized treatment services to abused, neglected, at-risk, and/or drug-affected children. Priority for services shall be given to children referred from the department of social and health services children's administration. In addition to referrals made by children's administration, the department shall

authorize services for children referred to the MTCC program, as long as the children meet the eligibility requirements as outlined in the Washington state plan for the MTCC program. Of the amounts appropriated in this subsection, $60,000 per fiscal year may be used by the department for administering the MTCC program, if needed.

Sec. 615. 2011 2nd sp.s. c 9 s 613 (uncodified) is amended to read as follows:

FOR THE STATE SCHOOL FOR THE BLIND

General Fund--State Appropriation (FY 2012) $5,782,000
General Fund--State Appropriation (FY 2013) . . . . . ((~~$5,749,000~~))
$5,461,000
((~~General Fund--Private/Local Appropriation . . . . . $1,961,000~~))
TOTAL APPROPRIATION . . . . . ((~~$13,492,000~~))
$11,243,000

((~~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. 616. 2011 2nd sp.s. c 9 s 614 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS

General Fund--State Appropriation (FY 2012) $8,449,000
General Fund--State Appropriation (FY 2013) . . . . . ((~~$8,446,000~~))
$8,041,000
((~~General Fund--Private/Local Appropriation . . . . . $526,000~~))
TOTAL APPROPRIATION . . . . . ((~~$17,421,000~~))
$16,490,000

(End of part)

PART VII
SPECIAL APPROPRIATIONS

Sec. 701. 2011 2nd sp.s. c 9 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

General Fund--State Appropriation (FY 2012) . . . . . ((~~$919,198,000~~))
$913,150,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$967,749,000~~))
$952,827,000

State Building Construction Account--State
Appropriation $3,866,000

Columbia River Basin Water Supply Development
Account--State Appropriation $121,000

Hood Canal Aquatic Rehabilitation Bond Account--State
Appropriation $4,000

State Taxable Building Construction Account--State
Appropriation $90,000

Gardner-Evans Higher Education Construction
Account--State Appropriation $13,000

Debt-Limit Reimbursable Bond Retire Account--State
Appropriation $2,300,000

TOTAL APPROPRIATION . . . . . ((~~$1,893,341,000~~))
$1,872,371,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for expenditure into the debt-limit general fund bond retirement account. The entire general fund--state appropriation for fiscal year 2012 shall be expended into the debt-limit general fund bond retirement account by June 30, 2012.

Sec. 702. 2011 2nd sp.s. c 9 s 702 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING

BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE

General Fund--State Appropriation (FY 2012) . . . . . ((~~$27,516,000~~))
$27,400,000

General Fund--State Appropriation (FY 2013) . . . . . ((~~$30,758,000~~))
$30,572,000

Nondebt-Limit Reimbursable Bond Retirement
Account--State Appropriation $140,128,000

TOTAL APPROPRIATION . . . . . ((~~$198,402,000~~))
$198,100,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for expenditure into the nondebt-limit general fund bond retirement account. The entire general fund--state appropriation for fiscal year 2012 shall be expended into the nondebt-limit general fund bond retirement account by June 30, 2012.

NEW SECTION. **Sec. 703.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--REVISED EMPLOYER HEALTH BENEFIT RATES

General Fund--State Appropriation (FY 2013) . . . . . ($32,946,000)
General Fund--Federal Appropriation . . . . . ($4,720,000)
General Fund--Local Appropriation . . . . . ($518,000)
Education Legacy Trust Account--State Appropriation . . . . ($178,000)
Dedicated Funds and Accounts Appropriation . . . . . ($7,684,000)
TOTAL APPROPRIATION . . . . . ($46,046,000)

The appropriations in this section are subject to the following conditions and limitations: Appropriations are adjusted to reflect changes to appropriations to reflect the change in the employer funding rate providing employee health and insurance coverage for fiscal year 2013 from $850 to $800 per estimated eligible employee per month. The office of financial management shall update agency appropriations schedules to reflect the changes in funding levels in this section as identified by agency and fund in LEAP document H-HB1 dated February 17, 2012. From the applicable accounts, the office of financial management shall adjust allotments to the respective agencies by an amount that

conforms with funding adjustments enacted in the 2012 supplemental omnibus operating appropriations act. Any allotment reductions under this section must be placed in reserve status and remain unexpended.

Sec. 704. 2011 1st sp.s. c 50 s 712 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF HEALTH--COUNTY PUBLIC HEALTH ASSISTANCE

General Fund--State Appropriation (FY 2012) $24,000,000
General Fund--State Appropriation (FY 2013) . . . . . ((~~$24,000,000~~))
$12,000,000
TOTAL APPROPRIATION . . . . . ((~~$48,000,000~~))
$36,000,000

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 2012	FY 2013	FY 2011-13 Biennium
Adams County Health District	$30,951	((~~$30,951~~)) $15,476	((~~$61,902~~)) $46,427
Asotin County Health District	$67,714	((~~$67,714~~)) $33,857	((~~$135,428~~)) $101,571
Benton-Franklin Health District	$1,165,612	((~~$1,165,612~~)) $582,806	((~~$2,331,224~~)) $1,748,418
Chelan-Douglas Health District	$184,761	((~~$184,761~~)) $92,381	((~~$369,522~~)) $277,142
Clallam County Health and Human Services Department	$141,752	((~~$141,752~~)) $70,876	((~~$283,504~~)) $212,628
Clark County Health District	$1,057,792	((~~$1,057,792~~)) $528,896	((~~$2,115,594~~)) $1,586,688
Skamania County Health Department	$26,681	((~~$26,681~~)) $13,341	((~~$53,362~~)) $40,022
Columbia County Health District	$40,529	((~~$40,529~~)) $20,265	((~~$81,058~~)) $60,794

Cowlitz County Health Department	$278,560	(($~~$278,560~~))	(($~~$557,120~~))
		$139,280	$417,840
Garfield County Health District	$15,028	(($~~$15,028~~))	(($~~$30,056~~))
		$7,514	$22,542
Grant County Health District	$118,595	(($~~$118,596~~))	(($~~$237,191~~))
		$59,298	$177,893
Grays Harbor Health Department	$183,870	(($~~$183,870~~))	(($~~$367,740~~))
		$91,935	$275,805
Island County Health Department	$91,892	(($~~$91,892~~))	(($~~$183,784~~))
		$45,946	$137,838
Jefferson County Health and Human Services	$85,782	(($~~$85,782~~))	(($~~$171,564~~))
		$42,891	$128,673
Seattle-King County Department of Public Health	$9,531,747	(($~~$9,531,747~~))	(($~~$19,063,494~~))
		$4,765,874	$14,297,621
Bremerton-Kitsap County Health District	$554,669	(($~~$554,669~~))	(($~~$1,109,338~~))
		$277,335	$832,004
Kittitas County Health Department	$92,499	(($~~$92,499~~))	(($~~$184,998~~))
		$46,250	$138,749
Klickitat County Health Department	$62,402	(($~~$62,402~~))	(($~~$124,804~~))
		$31,201	$93,603
Lewis County Health Department	$105,801	(($~~$105,801~~))	(($~~$211,602~~))
		$52,901	$158,702
Lincoln County Health Department	$29,705	(($~~$29,705~~))	(($~~$59,410~~))
		$14,853	$44,558
Mason County Department of Health Services	$95,988	(($~~$95,988~~))	(($~~$191,976~~))
		$47,994	$143,982
Okanogan County Health District	$63,458	(($~~$63,458~~))	(($~~$126,916~~))
		$31,729	$95,187
Pacific County Health Department	$77,427	(($~~$77,427~~))	(($~~$154,854~~))
		$38,714	$116,141
Tacoma-Pierce County Health Department	$2,820,590	(($~~$2,820,590~~))	(($~~$5,641,180~~))
		$1,410,295	$4,230,885
San Juan County Health and Community Services	$37,531	(($~~$37,531~~))	(($~~$75,062~~))
		$18,766	$56,297
Skagit County Health Department	$223,927	(($~~$223,927~~))	(($~~$447,854~~))
		$111,964	$335,891

Snohomish Health District	$2,258,207	((~~$2,258,207~~))	((~~$4,516,414~~))
		$1,129,104	$3,387,311
Spokane County Health District	$2,101,429	((~~$2,101,429~~))	((~~$4,202,858~~))
		$1,050,715	$3,152,144
Northeast Tri-County Health District	$110,454	((~~$110,454~~))	((~~$220,908~~))
		$55,227	$165,681
Thurston County Health Department	$600,419	((~~$600,419~~))	((~~$1,200,838~~))
		$300,210	$900,629
Wahkiakum County Health Department	$13,773	((~~$13,772~~))	((~~$27,545~~))
		$6,886	$20,659
Walla Walla County-City Health Department	$172,062	((~~$172,062~~))	((~~$344,124~~))
		$86,031	$258,093
Whatcom County Health Department	$855,863	((~~$855,863~~))	((~~$1,711,726~~))
		$427,932	$1,283,795
Whitman County Health Department	$78,733	((~~$78,733~~))	((~~$157,466~~))
		$39,367	$118,100
Yakima Health District	$623,797	((~~$623,797~~))	((~~$1,247,594~~))
		$311,899	$935,696
TOTAL APPROPRIATIONS	$24,000,000	((~~$24,000,000~~))	((~~$48,000,000~~))
		$12,000,000	$36,000,000

Sec. 705. 2011 1st sp.s. c 50 s 714 (uncodified) is amended to read as follows:

BELATED CLAIMS

The agencies and institutions of the state may expend moneys appropriated in this act, upon approval of the office of financial management, for the payment of supplies and services furnished to the agency or institution in prior fiscal biennia.

Sec. 706. 2011 1st sp.s. c 50 s 715 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--EXTRAORDINARY CRIMINAL JUSTICE COSTS

General Fund--State Appropriation (FY 2012) . . . . . ((~~$591,000~~))
$1,102,000

The appropriation in this section is subject to the following conditions and limitations: The director of financial management shall distribute ((~~$338,000~~)) $501,000 to Franklin county, $128,000 to

Jefferson county, ((~~and~~)) $125,000 to Okanogan county, $161,000 to Yakima county, and $187,000 to King county for extraordinary criminal justice costs.

NEW SECTION. **Sec. 707.** 2011 2nd sp.s. c 9 s 705 (uncodified) is repealed.

Sec. 708. 2011 2nd sp.s. c 9 s 707 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--PERSONNEL SERVICES

((~~From appropriations to state agencies for the 2011-2013 fiscal biennium, the office of financial management shall reduce general fund--state allotments by $9,537,000 for fiscal year 2013 to reflect reduced billings and related charges to client agencies for central personnel services, pursuant to allotment schedules prepared by the office of financial management. The allotment reductions under this section shall be placed in unallotted status and remain unexpended.~~))

General Fund--State Appropriation (FY 2012) . . . . . ($745,000)
General Fund--State Appropriation (FY 2013) . . . . . ($763,000)
Other Appropriated Funds . . . . . ($1,176,000)
TOTAL APPROPRIATION . . . . . ($2,684,000)

The appropriations in this section are solely for the purposes designated in this section and are subject to the following conditions and limitations:

(1) Appropriations are adjusted to reflect adjustments in funding for charges associated with a personnel services rate reduction.

(2) The office of financial management shall update agency appropriation schedules to reflect the changes to funding levels in this section as identified by agency and in the amounts specified in LEAP Document GLP-2012 dated February 18, 2012.

NEW SECTION. **Sec. 709.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

FOR THE DEPARTMENT OF NATURAL RESOURCES--DISTRIBUTION OF EXCESS FUNDS FROM THE FOREST DEVELOPMENT ACCOUNT

Forest Development Account--State Appropriation $10,000,000

The appropriation in this section is provided solely for

distribution of state forest land revenues to taxing authorities that received such revenue from fiscal year 2002 through fiscal year 2011 and is subject to the following conditions and limitations:

(1) Within fifteen days of the effective date of this section, the department shall transmit funds in the amounts specified in subsection (3) of this section to the county treasurers of the counties receiving the funds.

(2) The county treasurers of the counties listed in this section shall distribute funds received from this appropriation to taxing authorities in proportion to the state forest transfer land funds distributed to the taxing authorities based on information available for the fiscal years 2002 through 2011. Funds to be credited to the state of Washington and funds credited to school district general levies shall be remitted to the state of Washington within thirty days after the effective date of this section for deposit into the state general fund.

(3) Funds shall be distributed in the following amounts:

Clallam	$848,854
Clark	$630,368
Cowlitz	$418,159
Grays Harbor	$266,365
Jefferson	$239,722
King	$328,725
Kitsap	$73,839
Klickitat	$197,968
Lewis	$887,679
Mason	$425,935
Okanogan	$4
Pacific	$352,540
Pierce	$334,179
Skagit	$1,534,497
Skamania	$66,648
Snohomish	$1,565,549
Stevens	$6,709
Thurston	$783,735

Wahkiakum	$285,339
Whatcom	$753,186
Total	$10,000,000

NEW SECTION. **Sec. 710.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--CENTRAL SERVICE CHARGES ADJUSTMENTS

General Fund--State Appropriation (FY 2012) . . . . . .($702,000)
General Fund--State Appropriation (FY 2013) . . . . . .($1,410,000)
Other Appropriated Funds . . . . . ($3,222,000)
TOTAL APPROPRIATION . . . . . ($5,334,000)

The appropriations in this section are solely for the purposes designated in this section and are subject to the following conditions and limitations:

(1) Appropriations are adjusted to reflect adjustments in funding for charges associated with central services.

(2) The office of financial management shall update agency appropriation schedules to reflect the changes to funding levels in this section as identified by agency and in the amounts specified in LEAP Document 92A-2012 dated February 18, 2012.

NEW SECTION. **Sec. 711.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--AUDIT SERVICES ADJUSTMENTS

General Fund--State Appropriation (FY 2012) . . . . . .($169,000)
General Fund--State Appropriation (FY 2013) . . . . . .($341,000)
Other Appropriated Funds $208,000
TOTAL APPROPRIATION . . . . . ($302,000)

The appropriations in this section are solely for the purposes designated in this section and are subject to the following conditions and limitations:

(1) Appropriations are adjusted to reflect adjustments in funding for charges associated with audit services.

(2) The office of financial management shall update agency appropriation schedules to reflect the changes to funding levels in

this section as identified by agency and in the amounts specified in LEAP Document 92B-2012 dated February 18, 2012.

NEW SECTION. **Sec. 712.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--LEGAL SERVICES REDUCTION

General Fund--State Appropriation (FY 2012) . . . . . .($896,000)
General Fund--State Appropriation (FY 2013) . . . . . .($1,805,000)
Other Appropriated Funds . . . . . ($4,918,000)
TOTAL APPROPRIATION . . . . . ($7,619,000)

The appropriations in this section are solely for the purposes designated in this section and are subject to the following conditions and limitations:

(1) Appropriations are adjusted to reflect savings associated with a reduction in expenditures related to legal services.

(2) The office of financial management shall update agency appropriation schedules to reflect the changes to funding levels in this section as identified by agency and in the amounts specified in LEAP Document 92C-2012 dated February 18, 2012.

NEW SECTION. **Sec. 713.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--ARCHIVE SERVICES REDUCTION

General Fund--State Appropriation (FY 2012) . . . . . .($110,000)
General Fund--State Appropriation (FY 2013) . . . . . .($229,000)
Other Appropriated Funds . . . . . .($244,000)
TOTAL APPROPRIATION . . . . . ($583,000)

The appropriations in this section are solely for the purposes designated in this section and are subject to the following conditions and limitations:

(1) Appropriations are adjusted to reflect savings associated with a reduction in expenditures related to archive services.

(2) The office of financial management shall update agency appropriation schedules to reflect the changes to funding levels in this section as identified by agency and in the amounts specified in LEAP Document 92D-2012 dated February 18, 2012.

NEW SECTION. **Sec. 714.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--CENTRAL SERVICE SAVINGS

General Fund--State Appropriation (FY 2012) . . . . . ($62,000)
General Fund--State Appropriation (FY 2013) . . . . . .($127,000)
Other Appropriated Funds . . . . . .($207,000)
TOTAL APPROPRIATION . . . . . ($396,000)

The appropriations in this section are solely for the purposes designated in this section and are subject to the following conditions and limitations:

(1) Appropriations are adjusted to reflect savings associated with a reduction in billing to various state agencies for central services.

(2) The office of financial management shall update agency appropriation schedules to reflect the changes to funding levels in this section as identified by agency and in the amounts specified in LEAP Document 92E-2012 dated February 18, 2012.

NEW SECTION. **Sec. 715.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--CENTRAL SERVICE REDUCTIONS

General Fund--State Appropriation (FY 2012) . . . . . .($117,000)
General Fund--State Appropriation (FY 2013) . . . . . .($425,000)
Other Appropriated Funds . . . . . .($836,000)
TOTAL APPROPRIATION . . . . . ($1,378,000)

The appropriations in this section are solely for the purposes designated in this section and are subject to the following conditions and limitations:

(1) Appropriations are adjusted to reflect savings associated with a reduction to various state agencies for services provided by the office of administrative hearings, the minority and women's business enterprises, and the office of financial management.

(2) The office of financial management shall update agency appropriation schedules to reflect the changes to funding levels in this section as identified by agency and in the amounts specified in LEAP Document CNT-2012 dated February 18, 2012.

NEW SECTION. **Sec. 716.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--CONSOLIDATED TECHNOLOGY SERVICES

General Fund--State Appropriation (FY 2012) . . . . . .($884,000)
General Fund--State Appropriation (FY 2013) . . . . . .($3,544,000)
Other Appropriated Funds . . . . . ($5,503,000)
TOTAL APPROPRIATION . . . . . ($9,931,000)

The appropriations in this section are solely for the purposes designated in this section and are subject to the following conditions and limitations:

(1) Appropriations are adjusted to reflect savings associated with consolidated technology services.

(2) The office of financial management shall update agency appropriation schedules to reflect the changes to funding levels in this section as identified by agency and in the amounts specified in LEAP Document CTS-2012 dated February 18, 2012.

NEW SECTION. **Sec. 717.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--ENTERPRISE SERVICES

General Fund--State Appropriation (FY 2013) . . . . . .($3,175,000)
Other Appropriated Funds . . . . . ($1,755,000)
TOTAL APPROPRIATION . . . . . ($4,930,000)

The appropriations in this section are solely for the purposes designated in this section and are subject to the following conditions and limitations:

(1) Appropriations are adjusted to reflect savings associated with a reduction in expenditures related to printing, bulk mail, and the operation of the state motor pool.

(2) The office of financial management shall update agency appropriation schedules to reflect the changes to funding levels in this section as identified by agency and in the amounts specified in LEAP Document DES-2012 dated February 18, 2012.

NEW SECTION. **Sec. 718.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--INFORMATION TECHNOLOGY

General Fund--State Appropriation (FY 2013) . . . . . .($8,118,000)

The appropriation in this section is solely for the purposes designated in this section and are subject to the following conditions and limitations:

(1) Appropriations are adjusted to reflect savings associated with a reduction in expenditures related to information technology.

(2) The office of financial management shall update agency appropriation schedules to reflect the changes to funding levels in this section as identified by agency and in the amounts specified in LEAP Document IT1-2012 dated February 18, 2012.

(3) For agencies with appropriations from accounts other than the general fund--state, the office of financial management shall work with agencies to achieve similar savings in other accounts.

NEW SECTION. **Sec. 719.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

FOR SUNDRY CLAIMS

The following sums, or so much thereof as may be necessary, are appropriated from the general fund, unless otherwise indicated, for relief of various individuals, firms, and corporations for sundry claims. These appropriations are to be disbursed on vouchers approved by the director of financial management, except as otherwise provided, for reimbursement of criminal defendants acquitted on the basis of self-defense, pursuant to RCW 9A.16.110, as follows:

(1) Clint L. Powell, Jr., claim number 99970048 . . . . .$58,155.10

(2) Chance L. Hawkins, claim number 99970049 . . . . . $28,838.95

(3) Edgar L. Hawkins, claim number 99970050 . . . . . .$25,507.00

(4) James Abbott, claim number 99970051 . . . . . $9,880.00

(5) Richard Frisk, claim number 99970052 . . . . . $32,788.50

(6) Brian Barnd-Spjut, claim number 99970053 . . . . . .$122,821.79

NEW SECTION. **Sec. 720.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--LOCAL GOVERNMENT CONTINGENCY

Local Government Contingency

Account--State Appropriation $7,190,000

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

(1) The director of the office of financial management may distribute one-time grants to a county or city if a city or county meets the following criteria: (a) The city or county has imposed the local option sales tax under House Bill No. . . . (H-4386); and (b) the city or county demonstrates that critical services cannot be maintained without one-time grant funding.

(2) The amounts provided in grants to a city or county under this section shall not exceed any net reductions in revenues to that city or county under House Bill No. . . . (H-4386).

(3) If House Bill No. . . . (H-4386)is not enacted by June 30, 2012, the amount in this section shall lapse.

NEW SECTION. **Sec. 721.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

FOR THE STATE TREASURER--LOCAL PUBLIC HEALTH DISTRICT DISTRIBUTION

Local Public Health District

Account--State Appropriation $14,382,000

The appropriation in this section is subject to the following conditions and limitations: The state treasurer shall distribute the appropriations to counties and public health districts to support public health services pursuant to House Bill No. . . . (H-4386). If House Bill No. . . . (H-4386) is not enacted by June 30, 2012, the amount provided in this section shall lapse.

NEW SECTION. **Sec. 722.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

FOR THE STATE TREASURER--EDUCATION FUNDING STUDY

General Fund--State Appropriation (FY 2012) $25,000

General Fund--State Appropriation (FY 2013) $225,000

TOTAL APPROPRIATION $250,000

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

(1) The entire appropriation is provided solely for the task force and study established and directed under this section.

(2)(a) The recent McCleary decision by the state Supreme Court found that the legislature is not meeting its paramount duty to adequately fund K-12 basic education. The court also found that recent

legislative efforts to adjust the basic education definition and funding models using the prototypical school model will meet the paramount duty if implemented and fully funded in a timely manner. The joint task force established in subsection (3) of this section is created to help the legislature meet the requirements of the McCleary decision by recommending options for a permanent funding source.

(b) The task force should also consider that: (i) In order to meet performance and other K-12 goals, the state will need to enhance its efforts regarding a comprehensive early learning program for at-risk students; and (ii) In order to be competitive in today's economy students need a degree or certificate after high school. The committee should review options to address these considerations and possible funding sources.

(3)(a) The joint task force on education funding is established. The task force shall review the McCleary decision and make recommendations on how the legislature can meet the requirements outlined in that decision, particularly how to phase in and fully fund the prototypical model approach recently adopted by the legislature. In addition to focusing on options for fully funding basic education, the task force shall also consider related school finance issues, particularly eliminating differences in funding that are not based on empirical factors, such as levy equalization, grandfathered levy lids, salary schedules, and funding for administrative and classified staff.

(b) The task force shall also review programs of early learning for at-risk youth, focusing on improving the child's readiness for elementary school and possible funding options to enhance these programs; as well as review higher education funding and make recommendations regarding alternative funding options.

(c) The joint task force on education finance shall consist of sixteen members:

(i) Eight legislators, with two members from each of the two largest caucuses of the senate appointed by the president of the senate and two members from each of the two largest caucuses of the house of representatives appointed by the speaker of the house of representatives;

(ii) A representative of the governor's office or the office of financial management, designated by the governor;

(iii) The superintendent of public instruction or the superintendent's designee;

(iv) The director of the department of early learning or the director's designee;

(v) The executive director of the higher education coordinating board or its successor agency or the executive director's designee; and

(vi) Four individuals, to be appointed by the governor, that have significant experience with Washington education finance issues, including the use and application of the current basic education formulas, higher education funding, and early learning program funding. Each of the two largest caucuses of the house of representatives and the senate may submit names to the governor for consideration.

(vii) The task force shall be cochaired by one member from the house of representatives and one member from the senate. If the house of representatives and senate members cannot agree on their respective cochair, the governor shall appoint the cochairs.

(d) The task force may recommend multiple options, but shall recommend one preferred alternative, including an outline of necessary implementing legislation. Should the task force recommend an option to implement McCleary with no new revenues, the task force must identify what areas already in the budget would be eliminated or reduced.

(e) The task force shall be staffed by the house of representatives office of program research and senate committee services, with assistance from the legislative evaluation and accountability program committee, the office of the superintendent of public instruction, the higher education coordinating board or its successor agency, the department of early learning, the office of financial management, and the Washington state institute for public policy.

(4)(a) The recommendations should provide maximum transparency of the state's educational funding system in order to better help parents, citizens, and educational personnel in Washington understand how the education system is funded at the early, K-12, and higher education levels.

(b) The funding structure options should be linked to accountability for student outcomes, performance, and preparedness for the subsequent educational level.

(End of part)

PART VIII
OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2011 1st sp.s. c 50 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance premium distributions . . . . . ((~~$8,368,000~~)) $8,289,000

General Fund Appropriation for public utility district excise tax distributions . . . . . ((~~$49,418,000~~)) $44,078,000

General Fund Appropriation for prosecuting attorney distributions $6,281,000

General Fund Appropriation for boating safety and education distributions $4,000,000

General Fund Appropriation for other tax distributions $58,000

General Fund Appropriation for habitat conservation program distributions . . . . . ((~~$3,000,000~~)) $1,700,000

Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies $2,960,000

Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution $160,000

Timber Tax Distribution Account Appropriation for distribution to "timber" counties . . . . . ((~~$40,421,000~~)) $58,229,000

County Criminal Justice Assistance Appropriation . . . ((~~$69,801,000~~)) $51,796,000

Municipal Criminal Justice Assistance Appropriation . . . . . ((~~$26,950,000~~)) $19,972,000

City-County Assistance Account Appropriation for local government financial assistance distribution . . . ((~~$16,589,000~~)) $12,159,000

Liquor Excise Tax Account Appropriation for liquor

excise tax distribution . . . . . ((~~$52,152,000~~))
$39,730,000

Streamlined Sales and Use Tax Mitigation Account
Appropriation for distribution to local taxing jurisdictions to mitigate the unintended revenue redistribution effect of the sourcing law changes . . . . . ((~~$49,635,000~~))
$49,309,000

Columbia River Water Delivery Account Appropriation for the Confederated Tribes of the Colville Reservation . . . . . ((~~$7,441,000~~))
$7,478,000

Columbia River Water Delivery Account Appropriation for the Spokane Tribe of Indians . . . . . ((~~$4,748,000~~))
$4,794,000

Liquor Revolving Account Appropriation for liquor profits distribution . . . . . ((~~$69,318,000~~))
$90,561,000

TOTAL APPROPRIATION . . . . . ((~~$411,301,000~~))
$401,554,000

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. 2011 1st sp.s. c 50 s 802 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--FOR THE COUNTY CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driver Safety Account Appropriation . . . . . ((~~$2,501,000~~))
$2,439,000

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2011-2013 fiscal biennium in accordance with RCW 82.14.310. This funding is provided to counties for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998

(DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

Sec. 803. 2011 1st sp.s. c 50 s 803 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driver Safety Account Appropriation . . . . . ((~~$1,666,000~~))
$1,626,000

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2011-2013 biennium to all cities ratably based on population as last determined by the office of financial management. The distributions to any city that substantially decriminalizes or repeals its criminal code after July 1, 1990, and that does not reimburse the county for costs associated with criminal cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in which the city is located. This funding is provided to cities for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

Sec. 804. 2011 2nd sp.s. c 9 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, $16,300,000
for fiscal year 2012 and ((~~$21,300,000~~))
$24,800,000 for fiscal year 2013 . . . . . ((~~$37,600,000~~))
$41,100,000

Waste Reduction, Recycling, and Litter Control Account: For transfer to the state general fund, $3,500,000 for fiscal year 2012 and $3,500,000 for fiscal year 2013 . . . . . $7,000,000

Aquatics Lands Enhancement Account: For transfer to the state general fund, $3,500,000 for fiscal year 2012 and $3,500,000 for fiscal year 2013 . . . . . $7,000,000

Savings Incentive Account: For transfer to the state general fund, $44,618,000 for fiscal year 2012 . . . . . $44,618,000

Distinguished Professorship Trust Fund: For transfer to the state general fund for fiscal year 2012, an amount not to exceed the actual cash balance of the fund $3,024,000

Washington Graduate Fellowship Trust Fund: For transfer to the state general fund for fiscal year 2012, an amount not to exceed the actual cash balance of the fund $1,028,000

College Faculty Awards Trust Fund: For transfer to the state general fund for fiscal year 2012, an amount not to exceed the actual cash balance of the fund $1,996,000

Data Processing Revolving Account: For transfer to the state general fund, $5,960,000 for fiscal year 2012 . . . . . $5,960,000

Drinking Water Assistance Account: For transfer to the drinking water assistance repayment account $38,000,000

Economic Development Strategic Reserve Account: For transfer to the state general fund, $2,100,000 for fiscal year 2012 and $2,100,000 for fiscal year 2013 . . . . . $4,200,000

General Fund: For transfer to the streamlined sales and use tax account, $24,846,000 for fiscal year 2012 and $24,789,000 for fiscal year 2013 . . . . . $49,635,000

Public Works Assistance Account: For transfer to the water pollution control revolving account, $7,750,000 for fiscal year 2012 and $7,750,000 for fiscal year 2013 . . . . . $15,500,000

The Charitable, Educational, Penal, and Reformatory Institutions Account: For transfer to the state general fund, $4,500,000 for fiscal year 2012 and

$4,500,000 for fiscal year 2013 . . . . . $9,000,000

Thurston County Capital Facilities Account: For transfer to the state general fund, $4,000,000 for fiscal year 2012 and $4,000,000 for fiscal year 2013 . . . . . $8,000,000

Public Works Assistance Account: For transfer to the drinking water assistance account, $10,000,000 for fiscal year 2012 and $5,000,000 for fiscal year 2013 . . . . . $15,000,000

Liquor Control Board Construction and Maintenance Account: For transfer to the state general fund, $500,000 for fiscal year 2012 ((~~and $500,000 for fiscal year 2013~~)) . . . . . ((~~$1,000,000~~)) $500,000

Education Savings Account: For transfer to the state general fund, $54,431,000 for fiscal year 2012 and ((~~$22,500,000~~)) $60,000,000 for fiscal year 2013 . . . . . ((~~$76,931,000~~)) $114,431,000

Department of Retirement Systems Expense Account: For transfer to the state general fund, $250,000 for fiscal year 2012 and $250,000 for fiscal year 2013 . . . . . $500,000

Education Construction Account: For transfer to the state general fund, $102,000,000 for fiscal year 2012 and $102,000,000 for fiscal year 2013 . . . . . $204,000,000

Public Works Assistance Account: For transfer to the state general fund, $25,000,000 for fiscal year 2012 and $25,000,000 for fiscal year 2013 . . . . . $50,000,000

Foster Care Endowed Scholarship Trust Fund: For transfer to the state general fund, $200,000 for fiscal year 2012 and $200,000 for fiscal year 2013 . . . . . $400,000

Affordable Housing For All Account: For transfer to the home security fund, $1,000,000 for fiscal year 2012 and $1,000,000 for fiscal year 2013 . . . . . $2,000,000

Tobacco Settlement Account: For transfer to the state general fund, in an amount not to exceed the actual amount of the annual base payment to the tobacco

settlement account $158,205,000

Tobacco Settlement Account: For transfer to the basic health plan stabilization account from the amounts deposited in the account that are attributable to the annual strategic contribution payment received in fiscal year 2012 . . . . . $22,000,000

Tobacco Settlement Account: For transfer to the basic health plan stabilization account from the amounts deposited in the account that are attributable to the annual strategic contribution payment received in fiscal year 2013 . . . . . $22,000,000

Tobacco Settlement Account: For transfer to the life sciences discovery fund, in an amount not to exceed the actual remaining amount of the annual strategic contribution payment to the tobacco settlement account for fiscal year 2012 . . . . . .$6,000,000

Tobacco Settlement Account: For transfer to the life sciences discovery fund, in an amount not to exceed the actual remaining amount of the annual strategic contribution payment to the tobacco settlement account for fiscal year 2013 . . . . . .$6,000,000

The transfer to the life sciences discovery fund is subject to the following conditions: All new grants awarded during the 2011-2013 fiscal biennium shall support and accelerate the commercialization of an identifiable product.

<u>Manufacturing Innovation and Modernization Account: For transfer to the state general fund, $201,000 for fiscal year 2013 . . . . . .$201,000</u>

<u>Public Service Revolving Account: For transfer to the state general fund, $2,500,000 for fiscal year 2012 and $2,500,000 for fiscal year 2013 . . . . . $5,000,000</u>

<u>Financial Services Regulation Fund: For transfer to the state general fund, $3,000,000 for fiscal year 2012 . . . . . $3,000,000</u>

<u>Worker and Community Right To Know Fund: For transfer to the state general fund, $500,000 for fiscal year 2012 and $500,000 for fiscal year 2013 . . . . . .$1,000,000</u>

<u>Fair Account: For transfer to the state general fund,</u>

$1,750,000 for fiscal year 2012 . . . . . $1,750,000

Resources Management Cost Account from aquatics lands revenues: For transfer to the aquatics lands enhancement account, $522,000 for fiscal year 2013 . . . . . $522,000

(End of part)

PART IX
MISCELLANEOUS

Sec. 901. 2011 1st sp.s. c 50 s 910 (uncodified) is amended to read as follows:

COLLECTIVE BARGAINING AGREEMENT FOR FISCAL YEAR 2012--TERMS AND CONDITIONS

For fiscal year 2012, no agreements have been reached between the governor and the following unions: Washington public employees association, Washington public employees association higher education community college coalition, Washington federation of state employees higher education community college coalition, Washington federation of state employees Central Washington University, Washington federation of state employees Western Washington University, Washington federation of state employees The Evergreen State College, and public school employees Western Washington University, under the provisions of chapter 41.80 RCW ((~~for the 2011-2013 biennium~~)) for fiscal year 2012. Appropriations in this act provide funding to continue the terms and conditions of the 2009-2011 general government and higher education agreements negotiated by the office of financial management's labor relations office under the provisions of chapter 41.80 RCW for fiscal year 2012. For fiscal year 2012, appropriations have been reduced in an amount equal to a 3 percent salary reduction for all represented employees whose monthly full-time equivalent salary is $2,500 or more per month. This reduction will be implemented according to the terms and conditions of the 2009-2011 agreements. ((~~For fiscal year 2013, funding is reduced to reflect a 3.0 percent temporary salary reduction for all employees whose monthly full-time equivalent salary is $2,500 or more per month through June 29, 2013. Effective June 30, 2013, the salary schedules effective July 1, 2009, through June 30, 2011, will be reinstated. For employees entitled to leave, temporary salary reduction leave is granted for fiscal year 2013. These changes will be implemented according to law.~~))

NEW SECTION. **Sec. 902.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

COLLECTIVE BARGAINING AGREEMENT--FISCAL YEAR 2013--WPEA, WPEA CC

COALITION, WFSE CC COALITION, WFSE CWU, WFSE TESC

Agreements have been reached between the governor and the following unions: Washington public employees association, Washington public employees association higher education community college coalition, Washington federation of state employees higher education community college coalition, Washington federation of state employees Central Washington University, and Washington federation of state employees The Evergreen State College, under the provisions of chapter 41.80 RCW for fiscal year 2013. Funding is reduced to reflect a 3.0 percent temporary salary reduction for all employees whose monthly full-time equivalent salary is $2,500 or more per month through June 29, 2013. Effective June 30, 2013, the salary schedules effective July 1, 2009, through June 30, 2011, will be reinstated. For employees entitled to leave, temporary salary reduction leave is granted for fiscal year 2013.

NEW SECTION. **Sec. 903.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

COLLECTIVE BARGAINING AGREEMENT--FISCAL YEAR 2013--YAKIMA VALLEY COMMUNITY COLLEGE--WASHINGTON PUBLIC EMPLOYEES ASSOCIATION

An agreement has been reached between Yakima Valley Community College and Washington public employees association under the provisions of chapter 41.80 RCW for fiscal year 2013. The agreement is consistent with the funding reduction provided in the 2011-2013 omnibus appropriations act, which reflected a 3.0 percent temporary salary reduction to all employees whose monthly full-time equivalent salary is $2,500 or more per month through June 29, 2013.

NEW SECTION. **Sec. 904.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

COLLECTIVE BARGAINING AGREEMENT--FISCAL YEAR 2013--WESTERN WASHINGTON UNIVERSITY--PUBLIC SCHOOL EMPLOYEES OF WASHINGTON

An agreement has been reached between Western Washington University and the Washington public school employees of Washington bargaining units D and PTE under the provisions of chapter 41.80 RCW for fiscal year 2013. The agreement is consistent with the funding reduction provided in the 2011-2013 omnibus appropriations act, which reflected a 3.0 percent temporary salary reduction to all employees whose monthly

full-time equivalent salary is $2,500 or more per month through June 29, 2013. The reduction will be implemented according to the terms and conditions of this agreement.

NEW SECTION. **Sec. 905.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

COLLECTIVE BARGAINING AGREEMENT--FISCAL YEAR 2013--WESTERN WASHINGTON UNIVERSITY--WFSE

An agreement has been reached between Western Washington University and the Washington federation of state employees bargaining units A, B, and E under the provisions of chapter 41.80 RCW for fiscal year 2013. The agreement is consistent with the funding reduction provided in the 2011-2013 omnibus appropriations act, which reflected a 3.0 percent temporary salary reduction to all employees whose monthly full-time equivalent salary is $2,500 or more per month through June 29, 2013. The reduction will be implemented according to the terms and conditions of this agreement.

NEW SECTION. **Sec. 906.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

COLLECTIVE BARGAINING AGREEMENT--FISCAL YEAR 2013--EASTERN WASHINGTON UNIVERSITY--WFSE

An agreement has been reached between Eastern Washington University and the Washington federation of state employees under the provisions of chapter 41.80 RCW for fiscal year 2013. The agreement is consistent with the funding reduction provided in the 2011-2013 omnibus appropriations act, which reflected a 3.0 percent temporary salary reduction to all employees whose monthly full-time equivalent salary is $2,500 or more per month through June 29, 2013. The reduction will be implemented according to the terms and conditions of this agreement.

Sec. 907. 2011 1st sp.s. c 50 s 920 (uncodified) is amended to read as follows:

COMPENSATION--NONREPRESENTED EMPLOYEES--INSURANCE BENEFITS

Appropriations for state agencies in this act are sufficient for nonrepresented state employee health benefits for state agencies, including institutions of higher education, and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed $850 per eligible employee for fiscal year 2012. For fiscal year 2013 the monthly employer funding rate shall not exceed ((~~$850~~)) $800 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or make other changes to benefits consistent with RCW 41.05.065.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2012 and 2013, the subsidy shall be $150.00 per month.

(3) Technical colleges, school districts, and educational service districts shall remit to the health care authority for deposit into the public employees' and retirees' insurance account established in RCW 41.05.120 the following amounts:

(a) For each full-time employee, $66.01 per month beginning September 1, 2011, and ((~~$67.91~~)) $65.17 beginning September 1, 2012;

(b) For each part-time employee, who at the time of the remittance is employed in an eligible position as defined in RCW 41.32.010 or 41.40.010 and is eligible for employer fringe benefit contributions for basic benefits, $66.01 each month beginning September 1, 2011, and ((~~$67.91~~)) $65.17 beginning September 1, 2012, prorated by the proportion of employer fringe benefit contributions for a full-time employee that the part-time employee receives. The remittance requirements specified in this subsection shall not apply to employees

of a technical college, school district, or educational service district who purchase insurance benefits through contracts with the health care authority.

Sec. 908. 2011 1st sp.s. c 50 s 921 (uncodified) is amended to read as follows:

COMPENSATION--REPRESENTED EMPLOYEES OUTSIDE SUPER COALITION--INSURANCE BENEFITS

Appropriations for state agencies in this act are sufficient for represented employees outside the super coalition for health benefits, and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed $850 per eligible employee for fiscal year 2012. For fiscal year 2013 the monthly employer funding rate shall not exceed ((~~$850~~)) $800 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or make other changes to benefits consistent with RCW 41.05.065.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2012 and 2013, the subsidy shall be $150.00 per month.

(3) Technical colleges, school districts, and educational service districts shall remit to the health care authority for deposit into the public employees' and retirees' insurance account established in RCW 41.05.120 the following amounts:

(a) For each full-time employee, $66.01 per month beginning September 1, 2011, and ((~~$67.91~~)) $65.17 beginning September 1, 2012;

(b) For each part-time employee, who at the time of the remittance is employed in an eligible position as defined in RCW 41.32.010 or 41.40.010 and is eligible for employer fringe benefit contributions for basic benefits, $66.01 each month beginning September 1, 2011, and ((~~$67.91~~)) $65.17 beginning September 1, 2012, prorated by the proportion of employer fringe benefit contributions for a full-time employee that the part-time employee receives. The remittance requirements specified in this subsection shall not apply to employees of a technical college, school district, or educational service district who purchase insurance benefits through contracts with the health care authority.

Sec. 909. 2011 1st sp.s. c 50 s 922 (uncodified) is amended to read as follows:

COMPENSATION--REPRESENTED EMPLOYEES--SUPER COALITION--INSURANCE BENEFITS

The collective bargaining agreement negotiated with the super coalition under chapter 41.80 RCW includes employer premiums at 85 percent of the total weighted average of the projected health care premiums across all plans and tiers. Appropriations in this act for state agencies, including institutions of higher education are sufficient to fund state employees health benefits for employees represented by the super coalition on health benefits, and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed $850 per eligible employee for fiscal year 2012. For fiscal year 2013 the monthly employer funding rate shall not exceed ((~~$850~~)) $800 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or make other changes to benefits consistent with RCW 41.05.065.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on

prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2012 and 2013, the subsidy shall be $150.00 per month.

NEW SECTION. **Sec. 910.** A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

LOCAL GOVERNMENT FINANCING

(1) This act assumes adoption of separate local government finance legislation that changes the relationship between the state and local governments by reducing state support both in this act and the assumed legislation for selected areas while giving local governments additional local taxing authority to offset, at least in part, the reduction in state support. A contingency fund is created in the assumed legislation, managed by the office of financial management, to provide additional assistance to local governments who have used the new local option tax authority and demonstrate that critical services still cannot be maintained without one-time assistance.

(2)(a) The following state revenues for distribution to local governments are being reduced or eliminated in the assumed local government finance legislation: (i) Municipal criminal justice assistance; (ii) county criminal justice assistance; (iii) rural county sales tax credit; and (iv) beer tax.

(b) The local government finance legislation distributes spirits license fees through the liquor revolving fund in accordance with section 302, chapter 2, Laws of 2012 (Initiative Measure No. 1183).

(c) This act reduces public health funding. In the assumed local government finance legislation, the portion of the liquor excise tax that is distributed to cities and counties is redirected into a new state account. Funds in the new account are distributed to local

health districts in proportion to their aggregate receipts under local capacity development, MVET/I-695 replacement, and the blue ribbon fund distributions.

(3) This act also reduces appropriation levels for some state programs that benefit local governments. These include the state patrol crime lab, state funding for district and municipal court judicial salaries and other court-related activities, and state funding of the criminal justice training center. The assumed local government finance legislation requires local governments to pay a fee to cover 50 percent of service costs by the crime lab.

(4) The assumed local government finance legislation authorizes new local option taxes or modifies existing local taxes in the following ways:

(a)(i) Counties with a population less than 250,000 may impose a 0.2 percent sales and use tax and split the receipts 85 percent to the county and 15 percent to the cities within the county.

(ii) Counties with a population of 250,000 or more may impose a 0.1 percent sales and use tax and split the receipts 55 percent to the county and 45 percent to the cities within the county.

(iii) If certain counties do not impose the tax by January 1, 2013, the cities within the county may impose the tax.

(b) Cities and counties may impose a sales tax of up to 0.5 percent on food and beverages sold by restaurants, taverns, and bars.

(c) The voter-approval requirement for the 0.3 percent local public safety and use taxes is eliminated.

(d) An additional supplant timeline is provided for jurisdictions that impose the mental health/chemical dependency sales and use tax in the future.

(e) Counties may impose up to a 6 percent utility tax. Counties with a population over 1.5 million may not tax natural gas.

Sec. 911. RCW 15.76.115 and 2011 1st sp.s. c 50 s 926 are each amended to read as follows:

The fair fund is created in the custody of the state treasury. All moneys received by the department of agriculture for the purposes of this fund and from RCW 67.16.105(7) shall be deposited into the fund. At the beginning of fiscal year 2002 and each fiscal year thereafter, <u>with the exception of fiscal year 2013,</u> the state treasurer shall

transfer into the fair fund from the general fund the sum of two million dollars((~~, except for fiscal year 2011 the state treasurer shall transfer into the fair fund from the general fund the sum of one million one hundred three thousand dollars, and except during fiscal year 2012 and fiscal year 2013 the state treasurer shall transfer into the fair fund from the general fund the sum of one million seven hundred fifty thousand dollars each fiscal year~~)). Expenditures from the fund may be used only for assisting fairs in the manner provided in this chapter. Only the director of agriculture or the director's designee may authorize expenditures from the fund. The fund is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures. <u>During fiscal year 2012, the legislature may transfer from the fair account to the general fund, such amounts as reflect the excess fund balance in the account.</u>

Sec. 912. RCW 43.320.110 and 2010 1st sp.s. c 37 s 934 are each amended to read as follows:

There is created a local fund known as the "financial services regulation fund" which shall consist of all moneys received by the divisions of the department of financial institutions, except for the division of securities which shall deposit thirteen percent of all moneys received, except as provided in RCW 43.320.115, and which shall be used for the purchase of supplies and necessary equipment; the payment of salaries, wages, and utilities; the establishment of reserves; and other incidental costs required for the proper regulation of individuals and entities subject to regulation by the department. The state treasurer shall be the custodian of the fund. Disbursements from the fund shall be on authorization of the director of financial institutions or the director's designee. In order to maintain an effective expenditure and revenue control, the fund shall be subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditures and payment of obligations from the fund.

During the ((~~2009-2011~~)) <u>2011-2013</u> fiscal biennium, the legislature may transfer from the financial services regulation fund to the state general fund such amounts as reflect the excess fund balance of the fund.

Sec. 913. RCW 43.338.030 and 2008 c 315 s 5 are each amended to read as follows:

(1) The manufacturing innovation and modernization account is created in the state treasury. Moneys in the account may be spent only after appropriation.

(2) Expenditures from the account may be used only for funding activities of the Washington manufacturing innovation and modernization extension services program created in RCW 43.338.020.

(3) All payments by a program participant in the Washington manufacturing innovation and modernization extension services program created in RCW 43.338.020 shall be deposited into the manufacturing innovation and modernization account. Of the total payments deposited into the account by program participants, the department may use up to three percent for administration of this program. The deposit of payments under this section from a program participant cease when the department specifies that the program participant has met the monetary contribution obligations of the program.

(4) All revenue solicited and received under the provisions of RCW 43.338.020(3) shall be deposited into the manufacturing innovation and modernization account.

(5) The legislature intends that all payments from the manufacturing innovation and modernization account made to qualified manufacturing extension partnership affiliates will be eligible as the state match in an affiliate's application for federal matching funds under the manufacturing extension partnership program of the United States department of commerce's national institute of standards and technology.

<u>(6) During the 2011-2013 fiscal biennium, the legislature may transfer from the manufacturing innovation and modernization account to the state general fund such amounts as reflect the excess fund balance of the fund.</u>

Sec. 914. RCW 49.70.170 and 2010 c 8 s 12068 are each amended to read as follows:

(1) The worker and community right to know fund is hereby established in the custody of the state treasurer. The department shall deposit all moneys received under this chapter in the fund. Moneys in the fund may be spent only for the purposes of this chapter

following legislative appropriation. Disbursements from the fund shall be on authorization of the director or the director's designee. During the 2003-2005 fiscal biennium, moneys in the fund may also be used by the military department for the purpose of assisting the state emergency response commission and coordinating local emergency planning activities. The fund is subject to the allotment procedure provided under chapter 43.88 RCW.

(2) The department shall assess each employer who reported ten thousand four hundred or more worker hours in the prior calendar year an annual fee to provide for the implementation of this chapter. The department shall promulgate rules establishing a fee schedule for all employers who reported ten thousand four hundred or more worker hours in the prior calendar year and are engaged in business operations having a standard industrial classification, as designated in the standard industrial classification manual prepared by the federal office of management and budget, within major group numbers 01 through 08 (agriculture and forestry industries), numbers 10 through 14 (mining industries), numbers 15 through 17 (construction industries), numbers 20 through 39 (manufacturing industries), numbers 41, 42, and 44 through 49 (transportation, communications, electric, gas, and sanitary services), number 75 (automotive repair, services, and garages), number 76 (miscellaneous repair services), number 80 (health services), and number 82 (educational services). The department shall establish the annual fee for each employer who reported ten thousand four hundred or more worker hours in the prior calendar year in industries identified by this section, provided that fees assessed shall not be more than two dollars and fifty cents per full time equivalent employee. The annual fee shall not exceed fifty thousand dollars. The fees shall be collected solely from employers whose industries have been identified by rule under this chapter. The department shall promulgate rules allowing employers who do not have hazardous substances at their workplace to request an exemption from the assessment and shall establish penalties for fraudulent exemption requests. All fees collected by the department pursuant to this section shall be collected in a cost-efficient manner and shall be deposited in the fund.

(3) Records required by this chapter shall at all times be open to the inspection of the director, or his or her designee including, the traveling auditors, agents, or assistants of the department provided

for in RCW 51.16.070 and 51.48.040. The information obtained from employer records under the provisions of this section shall be subject to the same confidentiality requirements as set forth in RCW 51.16.070.

(4) An employer may appeal the assessment of the fee or penalties pursuant to the procedures set forth in Title 51 RCW and accompanying rules except that the employer shall not have the right of appeal to superior court as provided in Title 51 RCW. The employer from whom the fee or penalty is demanded or enforced, may however, within thirty days of the board of industrial insurance appeal's final order, pay the fee or penalty under written protest setting forth all the grounds upon which such fee or penalty is claimed to be unlawful, excessive, or otherwise improper and thereafter bring an action in superior court against the department to recover such fee or penalty or any portion of the fee or penalty which was paid under protest.

(5) Repayment shall be made to the general fund of any moneys appropriated by law in order to implement this chapter.

(6) During the 2011-2013 fiscal biennium, the legislature may transfer from the worker and community right to know fund to the state general fund such amounts as reflect the excess fund balance of the fund.

Sec. 915. RCW 70.95.521 and 2009 c 261 s 3 are each amended to read as follows:

The waste tire removal account is created in the state treasury. Expenditures from the account may be used for the cleanup of unauthorized waste tire piles, measures that prevent future accumulation of unauthorized waste tire piles, ((~~and~~)) road wear related maintenance on state and local public highways((~~. During the 2007-2009 fiscal biennium, the legislature may transfer from the waste tire removal account to the motor vehicle fund such amounts as reflect the excess fund balance of the waste tire removal account~~)), and activities that serve to lessen the impact motorized transportation and tires have on the spread of invasive weeds. During the 2011-2013 fiscal biennium, the waste tire removal account may be used to support the plant protection program, including the state weed board and weed board education activities at the department of agriculture.

Sec. 916. RCW 77.12.201 and 2009 c 479 s 63 are each amended to read as follows:

The legislative authority of a county may elect, by giving written notice to the director and the treasurer prior to January 1st of any year, to obtain for the following year an amount in lieu of real property taxes on game lands as provided in RCW 77.12.203. Upon the election, the county shall keep a record of all fines, forfeitures, reimbursements, and costs assessed and collected, in whole or in part, under this title for violations of law or rules adopted pursuant to this title, with the exception of the 2011-2013 fiscal biennium, and shall monthly remit an amount equal to the amount collected to the state treasurer for deposit in the state general fund. The election shall continue until the department is notified differently prior to January 1st of any year.

Sec. 917. RCW 77.12.203 and 2005 c 303 s 14 are each amended to read as follows:

(1) Notwithstanding RCW 84.36.010 or other statutes to the contrary, with the exception of the 2011-2013 fiscal biennium the director shall pay by April 30th of each year on game lands in each county, if requested by an election under RCW 77.12.201, an amount in lieu of real property taxes equal to that amount paid on similar parcels of open space land taxable under chapter 84.34 RCW or the greater of seventy cents per acre per year or the amount paid in 1984 plus an additional amount for control of noxious weeds equal to that which would be paid if such lands were privately owned. This amount shall not be assessed or paid on department buildings, structures, facilities, game farms, fish hatcheries, tidelands, or public fishing areas of less than one hundred acres.

(2) "Game lands," as used in this section and RCW 77.12.201, means those tracts one hundred acres or larger owned in fee by the department and used for wildlife habitat and public recreational purposes. All lands purchased for wildlife habitat, public access or recreation purposes with federal funds in the Snake River drainage basin shall be considered game lands regardless of acreage.

(3) This section shall not apply to lands transferred after April 23, 1990, to the department from other state agencies.

(4) The county shall distribute the amount received under this section in lieu of real property taxes to all property taxing districts except the state in appropriate tax code areas the same way it would distribute local property taxes from private property. The county shall distribute the amount received under this section for weed control to the appropriate weed district.

Sec. 918. RCW 79.64.020 and 2011 c 216 s 15 are each amended to read as follows:

A resource management cost account in the state treasury is created to be used solely for the purpose of defraying the costs and expenses necessarily incurred by the department in managing and administering state lands, community forest trust lands, and aquatic lands and the making and administering of leases, sales, contracts, licenses, permits, easements, and rights-of-way as authorized under the provisions of this title. Appropriations from the resource management cost account to the department shall be expended for no other purposes. Funds in the resource management cost account may be appropriated or transferred by the legislature for the benefit of all of the trusts from which the funds were derived. <u>During the 2011-2013 fiscal biennium, the legislature may transfer from the aquatics revenues in the resources management cost account to the aquatics land enhancement account, such amounts as reflect the excess fund balance in the account.</u>

Sec. 919. RCW 79.64.040 and 2011 1st sp.s. c 50 s 966 and 2011 c 216 s 16 are each reenacted and amended to read as follows:

(1) The board shall determine the amount deemed necessary in order to achieve the purposes of this chapter and shall provide by rule for the deduction of this amount from the moneys received from all leases, sales, contracts, licenses, permits, easements, and rights-of-way issued by the department and affecting state lands, community forest trust lands, and aquatic lands, provided that no deduction shall be made from the proceeds from agricultural college lands.

(2) Moneys received as deposits from successful bidders, advance payments, and security under RCW 79.15.100, 79.15.080, and 79.11.150 prior to December 1, 1981, which have not been subjected to deduction under this section are not subject to deduction under this section.

(3) Except as otherwise provided in subsections (4) and (6) of this section, the deductions authorized under this section shall not exceed twenty-five percent of the moneys received by the department in connection with any one transaction pertaining to state lands and aquatic lands other than second-class tide and shore lands and the beds of navigable waters, and fifty percent of the moneys received by the department pertaining to second-class tide and shore lands and the beds of navigable waters.

(4) Deductions authorized under this section for transactions pertaining to community forest trust lands must be established at a level sufficient to defray over time the management costs for activities prescribed in a parcel's management plan adopted pursuant to RCW 79.155.080, and, if deemed appropriate by the board consistent with RCW 79.155.090, to reimburse the state and any local entities' eligible financial contributions for acquisition of the parcel.

(5) In the event that the department sells logs using the contract harvesting process described in RCW 79.15.500 through 79.15.530, the moneys received subject to this section are the net proceeds from the contract harvesting sale.

(6) During the ((~~2009-2011~~)) 2011-2013 fiscal biennium ((~~and fiscal year 2012~~)), the twenty-five percent limitation on deductions set in subsection (3) of this section may be increased up to thirty percent by the board.

Sec. 920. RCW 79.64.100 and 2003 c 334 s 219 are each amended to read as follows:

There is created a forest development account in the state treasury. The state treasurer shall keep an account of all sums deposited therein and expended or withdrawn therefrom. Any sums placed in the forest development account shall be pledged for the purpose of paying interest and principal on the bonds issued by the department under RCW 79.22.080 and 79.22.090 and the provisions of this chapter, and for the purchase of land for growing timber. Any bonds issued shall constitute a first and prior claim and lien against the account for the payment of principal and interest. No sums for the above purposes shall be withdrawn or paid out of the account except upon approval of the department.

Appropriations may be made by the legislature from the forest development account to the department for the purpose of carrying on the activities of the department on state forest lands, lands managed on a sustained yield basis as provided for in RCW 79.10.320, and for reimbursement of expenditures that have been made or may be made from the resource management cost account in the management of state forest lands. For the 2011-2013 fiscal biennium, moneys from the forest development account shall be distributed as directed in section 709 of this act to the beneficiaries of the revenues derived from state forest lands. During the 2011-2013 fiscal biennium, the legislature may appropriate moneys in the forest development account to support fire suppression activities on state forest and state trust lands.

Sec. 921. RCW 79.70.130 and 2005 c 303 s 11 are each amended to read as follows:

The state treasurer, on behalf of the department and with the exception of fiscal year 2013, must distribute to counties for all lands acquired for the purposes of this chapter an amount in lieu of real property taxes equal to the amount of tax that would be due if the land were taxable as open space land under chapter 84.34 RCW except taxes levied for any state purpose, plus an additional amount equal to the amount of weed control assessment that would be due if such lands were privately owned. The county assessor and county legislative authority shall assist in determining the appropriate calculation of the amount of tax that would be due. The county shall distribute the amount received under this section in lieu of real property taxes to all property taxing districts except the state in appropriate tax code areas the same way it would distribute local property taxes from private property. The county shall distribute the amount received under this section for weed control to the appropriate weed district.

Sec. 922. RCW 79.71.130 and 2005 c 303 s 12 are each amended to read as follows:

The state treasurer, on behalf of the department and with the exception of fiscal year 2013, must distribute to counties for all lands acquired for the purposes of this chapter an amount in lieu of real property taxes equal to the amount of tax that would be due if the land were taxable as open space land under chapter 84.34 RCW except

taxes levied for any state purpose, plus an additional amount equal to the amount of weed control assessment that would be due if such lands were privately owned. The county assessor and county legislative authority shall assist in determining the appropriate calculation of the amount of tax that would be due. The county shall distribute the amount received under this section in lieu of real property taxes to all property taxing districts except the state in appropriate tax code areas the same way it would distribute local property taxes from private property. The county shall distribute the amount received under this section for weed control to the appropriate weed district.

Sec. 923. RCW 79.105.150 and 2011 2nd sp.s. c 9 s 911 are each amended to read as follows:

(1) After deduction for management costs as provided in RCW 79.64.040 and payments to towns under RCW 79.115.150(2), all moneys received by the state from the sale or lease of state-owned aquatic lands and from the sale of valuable material from state-owned aquatic lands shall be deposited in the aquatic lands enhancement account which is hereby created in the state treasury. After appropriation, these funds shall be used solely for aquatic lands enhancement projects; for the purchase, improvement, or protection of aquatic lands for public purposes; for providing and improving access to the lands; and for volunteer cooperative fish and game projects. During the ((~~2009-2011 and~~)) 2011-2013 fiscal ((~~biennia~~)) biennium, the aquatic lands enhancement account may also be used for scientific research as part of the adaptive management process and for developing a planning report for McNeil Island. During the ((~~2009-2011 and~~)) 2011-2013 fiscal ((~~biennia~~)) biennium, the legislature may transfer from the aquatic lands enhancement account to the state general fund such amounts as reflect excess fund balance of the account. During the 2011-2013 fiscal biennium, the aquatic lands enhancement account may be used to support the shellfish program, ((~~the ballast water program,~~)) native fish recovery program, aquatic invasive species monitoring and control program, and the Puget Sound toxic sampling program at the department of fish and wildlife, and the knotweed program at the department of agriculture.

(2) In providing grants for aquatic lands enhancement projects, the recreation and conservation funding board shall:

(a) Require grant recipients to incorporate the environmental benefits of the project into their grant applications;

(b) Utilize the statement of environmental benefits, consideration, except as provided in RCW 79.105.610, of whether the applicant is a Puget Sound partner, as defined in RCW 90.71.010, whether a project is referenced in the action agenda developed by the Puget Sound partnership under RCW 90.71.310, and except as otherwise provided in RCW 79.105.630, and effective one calendar year following the development and statewide availability of model evergreen community management plans and ordinances under RCW 35.105.050, whether the applicant is an entity that has been recognized, and what gradation of recognition was received, in the evergreen community recognition program created in RCW 35.105.030 in its prioritization and selection process; and

(c) Develop appropriate outcome-focused performance measures to be used both for management and performance assessment of the grants.

(3) To the extent possible, the department should coordinate its performance measure system with other natural resource-related agencies as defined in RCW 43.41.270.

(4) The department shall consult with affected interest groups in implementing this section.

(5) After January 1, 2010, any project designed to address the restoration of Puget Sound may be funded under this chapter only if the project is not in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310.

Sec. 924. RCW 80.01.080 and 2010 1st sp.s. c 37 s 950 are each amended to read as follows:

There is created in the state treasury a public service revolving fund. Regulatory fees payable by all types of public service companies shall be deposited to the credit of the public service revolving fund. Except for expenses payable out of the pipeline safety account, all expense of operation of the Washington utilities and transportation commission shall be payable out of the public service revolving fund.

During the ((~~2009-2011~~)) 2011-2013 fiscal biennium, the legislature may transfer from the public service revolving fund to the state general fund such amounts as reflect the excess fund balance of the fund.

Sec. 925. 2010 c 23 s 205 (uncodified) is amended to read as follows:

(1) The legislature finds that this state's tax policy with respect to the taxation of transactions between affiliated entities and the income derived from such transactions (intercompany transactions) has motivated some taxpayers to engage in transactions designed solely or primarily to minimize the tax effects of intercompany transactions. The legislature further finds that some intercompany transactions result from taxpayers that are required to establish affiliated entities to comply with regulatory mandates and that transactions between such affiliates effectively increases the tax burden in this state on the affiliated group of entities.

(2) Therefore, as existing resources allow, the department of revenue is directed to conduct a review of the state's tax policy with respect to the taxation of intercompany transactions. The review must include the impacts of such transactions under the state's business and occupation tax and state and local sales and use taxes. The department may include other taxes in the review as it deems appropriate.

(3) In conducting the review, the department must examine how this state's tax policy compares to the tax policy of other states with respect to the taxation of intercompany transactions. The department's review must include an analysis of potential alternatives to the current policy of taxing intercompany transactions, including their estimated revenue impacts if practicable.

(4) In conducting this review, the department may seek input from members of the business community and others as it deems appropriate.

(5) The department must report its findings to the fiscal committees of the house of representatives and senate by December 1, 2010. However, if the department has not completed its review by December 1, 2010, the department must provide the fiscal committees of the legislature with a brief status report by December 1, 2010, and the final report by December 1, ((~~2011~~)) 2012.

NEW SECTION. **Sec. 926.** 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. 927.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

(End of bill)

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