

CERTIFICATION OF ENROLLMENT
THIRD ENGROSSED SUBSTITUTE HOUSE BILL 2127

62nd Legislature
2012 2nd Special Session

Passed by the House April 11, 2012
Yeas 64 Nays 34

Speaker of the House of Representatives

Passed by the Senate April 11, 2012
Yeas 44 Nays 2

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **THIRD ENGROSSED SUBSTITUTE HOUSE BILL 2127** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

THIRD ENGROSSED SUBSTITUTE HOUSE BILL 2127

Passed Legislature - 2012 2nd Special Session

State of Washington 62nd Legislature 2012 2nd Special Session

By House Ways & Means (originally sponsored by Representative Hunter;
by request of Governor Gregoire)

READ FIRST TIME 02/27/12.

1 AN ACT Relating to fiscal matters; amending RCW 28B.15.067,
2 38.52.540, 41.06.560, 43.07.129, 43.30.720, 43.88.110, 74.48.090,
3 76.04.610, 77.12.201, 77.12.203, 79.22.010, 79.22.040, 79.64.100,
4 79.105.150, 79.105.240, 79A.25.200, 86.26.007, and 90.48.390; amending
5 2012 c 86 (ESHB 2190) (uncodified); amending 2011 2nd sp.s. c 9 ss 101,
6 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115,
7 116, 117, 118, 119, 120, 121, 122, 123, 125, 128, 129, 130, 131, 126,
8 127, 132, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212,
9 213, 214, 215, 216, 217, 218, 219, 220, 221, 301, 302, 303, 304, 305,
10 306, 307, 308, 309, 310, 311, 401, 402, 501, 502, 503, 504, 505, 507,
11 508, 509, 510, 511, 513, 514, 515, 601, 602, 603, 604, 605, 606, 607,
12 608, 609, 612, 613, 614, 615, 616, 617, 701, 702, and 801 (uncodified);
13 amending 2011 1st sp.s. c 50 ss 103, 104, 106, 105, 108, 112, 115, 117,
14 120, 124, 128, 132, 133, 137, 136, 142, 147, 151, 149, 214, 516, 616,
15 715, 801, 802, 803, 910, 920, 921, and 922 (uncodified); amending 2010
16 c 23 s 205 (uncodified); reenacting and amending RCW 2.68.020,
17 70.105D.070, and 79.64.040; adding new sections to 2011 1st sp.s. c 50
18 (uncodified); repealing 2011 2nd sp.s. c 9 ss 610, 611, 705, 706, 707,
19 and 708 (uncodified); repealing 2011 1st sp.s. c 50 ss 709 and 710
20 (uncodified); making appropriations; and declaring an emergency.

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

2 PART I

3 GENERAL GOVERNMENT

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

6 FOR THE HOUSE OF REPRESENTATIVES

7	General Fund--State Appropriation (FY 2012)	((\$29,934,000))
8		\$29,734,000
9	General Fund--State Appropriation (FY 2013)	((\$30,465,000))
10		\$28,205,000
11	Motor Vehicle Account--State Appropriation	((\$1,316,000))
12		\$1,491,000
13	TOTAL APPROPRIATION	((\$61,715,000))
14		\$59,430,000

15 The appropriations in this section are subject to the following
16 conditions and limitations: \$50,000 of the general fund--state
17 appropriation for fiscal year 2013 is provided solely for a joint
18 select committee on junior taxing districts, municipal corporations,
19 and local government finance. The joint select committee will be
20 composed of two members from each caucus from the house and from the
21 senate. The joint select committee shall review junior taxing
22 districts and municipal corporations for the purpose of evaluating
23 their provided services and making recommendations on the
24 appropriateness of consolidating services into a general purpose local
25 government. The joint select committee shall also examine new revenue
26 options for local governments. The joint select committee shall also
27 review the impact of the passage of Initiative Measure No. 1183 on
28 public safety needs, and provide a sustainable plan for the use and
29 disbursement of excess liquor revenues. In completing its review and
30 recommendations, the joint select committee shall seek pertinent
31 information and advice from: (a) Organizations representing counties,
32 cities, and junior taxing districts; (b) counties, cities, and junior
33 taxing districts; (c) the department of revenue; and (d) the state
34 auditor.

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

3 **FOR THE SENATE**

4	General Fund--State Appropriation (FY 2012)	((\$21,770,000))
5		<u>\$21,455,000</u>
6	General Fund--State Appropriation (FY 2013)	((\$23,864,000))
7		<u>\$21,791,000</u>
8	Motor Vehicle Account--State Appropriation	((\$1,400,000))
9		<u>\$1,421,000</u>
10	TOTAL APPROPRIATION	((\$47,034,000))
11		<u>\$44,667,000</u>

12 The appropriations in this section are subject to the following
13 conditions and limitations: \$50,000 of the general fund--state
14 appropriation for fiscal year 2013 is provided solely for a joint
15 select committee on junior taxing districts, municipal corporations,
16 and local government finance. The joint select committee will be
17 composed of two members from each caucus from the house and from the
18 senate. The joint select committee shall review junior taxing
19 districts and municipal corporations for the purpose of evaluating
20 their provided services and making recommendations on the
21 appropriateness of consolidating services into a general purpose local
22 government. The joint select committee shall also examine new revenue
23 options for local governments. The joint select committee shall also
24 review the impact of the passage of Initiative Measure No. 1183 on
25 public safety needs, and provide a sustainable plan for the use and
26 disbursement of excess liquor revenues. In completing its review and
27 recommendations, the joint select committee shall seek pertinent
28 information and advice from: (a) Organizations representing counties,
29 cities, and junior taxing districts; (b) counties, cities, and junior
30 taxing districts; (c) the department of revenue; and (d) the state
31 auditor.

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

34 **FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE**

35	General Fund--State Appropriation (FY 2012)	((\$2,680,000))
36		<u>\$2,589,000</u>
37	General Fund--State Appropriation (FY 2013)	((\$2,741,000))

1		<u>\$2,531,000</u>
2	Medical Aid Account--State Appropriation	\$85,000
3	Accident Account--State Appropriation	\$85,000
4	TOTAL APPROPRIATION	((\$5,591,000))
5		<u>\$5,290,000</u>

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

8 (1) Notwithstanding the provisions of this section, the joint
9 legislative audit and review committee may adjust the due dates for
10 projects included on the committee's 2011-13 work plan as necessary to
11 efficiently manage workload.

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

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

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

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

35 (4) \$85,000 of the medical aid account--state appropriation and
36 \$85,000 of the accident account--state appropriation are provided
37 solely for the purposes of House Bill No. 2123 (workers' compensation).

1 If the bill is not enacted by June 30, 2011, the amounts provided in
2 this subsection shall lapse.

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

11 (6) The joint legislative audit and review committee will assess
12 the costs of the department of fish and wildlife to produce trout to
13 achieve the department's desired freshwater stocking objectives and
14 compare these costs to the costs of the alternatives for producing
15 trout such as contracting for services. As part of its assessment, the
16 committee will consider the following:

17 (a) The total costs to the department for producing trout at
18 department trout production facilities, by category of trout
19 production, to achieve the department's desired freshwater stocking
20 objectives;

21 (b) The availability of alternative approaches to trout production,
22 including opportunities to contract with registered aquatic farmers,
23 and the costs of these alternative approaches; and

24 (c) A review of the experience of other states in contracting or
25 other alternative approaches to trout production.

26 (d) The committee will complete its assessment and report to the
27 legislature by December 1, 2012.

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

30 FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE	
31 General Fund--State Appropriation (FY 2012)	(((\$2,027,000))
	<u>\$2,025,000</u>
33 General Fund--State Appropriation (FY 2013)	(((\$2,193,000))
	<u>\$1,720,000</u>
35 TOTAL APPROPRIATION	(((\$4,220,000))
	<u>\$3,745,000</u>

1 **Sec. 105.** 2011 1st sp.s. c 50 s 106 (uncodified) is amended to
2 read as follows:

3 **FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**

4	General Fund--State Appropriation (FY 2012)	((\$8,016,000))
5		<u>\$8,013,000</u>
6	General Fund--State Appropriation (FY 2013)	((\$7,911,000))
7		<u>\$7,666,000</u>
8	TOTAL APPROPRIATION	((\$15,927,000))
9		<u>\$15,679,000</u>

10 **Sec. 106.** 2011 1st sp.s. c 50 s 105 (uncodified) is amended to
11 read as follows:

12 **FOR THE OFFICE OF THE STATE ACTUARY**

13	((General Fund--State Appropriation (FY 2012)	\$24,000
14	General Fund--State Appropriation (FY 2013)	\$24,000)
15	Department of Retirement Systems Expense	
16	Account--State Appropriation	((\$3,344,000))
17		<u>\$3,323,000</u>
18	((TOTAL APPROPRIATION	\$3,392,000)

19 The appropriations in this section are subject to the following
20 conditions and limitations: \$75,000 of the department of retirement
21 services account--state appropriation is for the state actuary to study
22 the issue of merging the law enforcement officers' and fire fighters'
23 retirement system plans 1 and 2 into a single retirement plan. The
24 department of retirement systems shall assist the state actuary by
25 providing such information and advice as the state actuary requests,
26 and the state actuary may contract for services as needed to conduct
27 the study. The results of the study shall be reported to the ways and
28 means committees of the house of representatives and the senate by
29 December 15, 2011.

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

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

36 (b) Changes to the projected contributions that might be required
37 of members, employers, and the state based on a range of possible

1 economic and demographic experience and a variety of funding policies,
2 including both continued application of current funding policy to the
3 benefit obligations of each plan, and application of the law
4 enforcement officers' and fire fighters' retirement system plan 2
5 funding policies to the combined benefits of both plans;

6 (2) The state actuary shall solicit the input of the law
7 enforcement officers' and fire fighters' retirement system plan 2
8 retirement board and organizations representing members and retirees of
9 the law enforcement officers' and fire fighters' retirement system plan
10 1 on the issue of the merger of the two plans, and include
11 representative submissions of the input of the organizations along with
12 the report.

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

15 **FOR THE STATUTE LAW COMMITTEE**

16	General Fund--State Appropriation (FY 2012)	((\$4,248,000))
17		<u>\$4,245,000</u>
18	General Fund--State Appropriation (FY 2013)	((\$4,689,000))
19		<u>\$4,523,000</u>
20	TOTAL APPROPRIATION	((\$8,937,000))
21		<u>\$8,768,000</u>

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

24 **FOR THE REDISTRICTING COMMISSION**

25	General Fund--State Appropriation (FY 2012)	\$1,627,000
26	General Fund--State Appropriation (FY 2013)	\$154,000
27	TOTAL APPROPRIATION	\$1,781,000

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

30 (1) \$443,000 of the general fund--state appropriation for fiscal
31 year 2012 is provided solely for the support of legislative
32 redistricting efforts. The commission shall enter into an interagency
33 agreement with the house of representatives and the senate for the
34 expenditure of these funds.

35 (2) The entire general fund--state appropriation for fiscal year
36 2013 is provided solely for the payment of expenses associated with the

1 cessation of the commission's operations. The secretary of the senate
2 and chief clerk of the house of representatives may jointly authorize
3 the expenditure of these funds.

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

6 **FOR THE OFFICE OF LEGISLATIVE SUPPORT SERVICES**

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

8 NEW SECTION. Sec. 110. A new section is added to 2011 1st sp.s.
9 c 50 (uncodified) to read as follows:

10 **LEGISLATIVE AGENCIES**

11 In order to achieve operating efficiencies within the financial
12 resources available to the legislative branch, the executive rules
13 committee of the house of representatives and the facilities and
14 operations committee of the senate by joint action may transfer funds
15 among the house of representatives, senate, joint legislative audit and
16 review committee, legislative evaluation and accountability program
17 committee, legislative transportation committee, office of the state
18 actuary, joint legislative systems committee, statute law committee,
19 office of legislative support services, and redistricting commission.

20 **Sec. 111.** 2011 2nd sp.s. c 9 s 104 (uncodified) is amended to read
21 as follows:

22 **FOR THE SUPREME COURT**

23 General Fund--State Appropriation (FY 2012) ((~~\$6,724,000~~))
24 \$6,757,000

25 General Fund--State Appropriation (FY 2013) ((~~\$6,738,000~~))
26 \$6,561,000

27 TOTAL APPROPRIATION ((~~\$13,462,000~~))
28 \$13,318,000

29 **Sec. 112.** 2011 2nd sp.s. c 9 s 105 (uncodified) is amended to read
30 as follows:

31 **FOR THE LAW LIBRARY**

32 General Fund--State Appropriation (FY 2012) ((~~\$1,506,000~~))
33 \$1,504,000

34 ((~~General Fund--State Appropriation (FY 2013) \$1,466,000~~))

1	<u>Judicial Information System Account--State</u>	
2	<u>Appropriation</u>	<u>\$1,500,000</u>
3	TOTAL APPROPRIATION	<u>((\$2,972,000))</u>
4		<u>\$3,004,000</u>

5 The appropriations in this section are subject to the following
6 conditions and limitations: \$50,000 of the judicial information system
7 account--state appropriation is provided solely to evaluate the state
8 law library and assess its operational structure to determine the most
9 effective delivery model for providing library services.

11 **Sec. 113.** 2011 1st sp.s. c 50 s 112 (uncodified) is amended to
12 read as follows:

13	FOR THE COMMISSION ON JUDICIAL CONDUCT	
14	General Fund--State Appropriation (FY 2012)	<u>((\$1,057,000))</u>
15		<u>\$1,053,000</u>
16	General Fund--State Appropriation (FY 2013)	<u>((\$991,000))</u>
17		<u>\$975,000</u>
18	TOTAL APPROPRIATION	<u>((\$2,048,000))</u>
19		<u>\$2,028,000</u>

20 **Sec. 114.** 2011 2nd sp.s. c 9 s 106 (uncodified) is amended to read
21 as follows:

22	FOR THE COURT OF APPEALS	
23	General Fund--State Appropriation (FY 2012)	<u>((\$15,285,000))</u>
24		<u>\$15,275,000</u>
25	General Fund--State Appropriation (FY 2013)	<u>((\$15,290,000))</u>
26		<u>\$15,168,000</u>
27	TOTAL APPROPRIATION	<u>((\$30,575,000))</u>
28		<u>\$30,443,000</u>

29 **Sec. 115.** 2011 2nd sp.s. c 9 s 107 (uncodified) is amended to read
30 as follows:

31	FOR THE ADMINISTRATOR FOR THE COURTS	
32	General Fund--State Appropriation (FY 2012)	<u>((\$50,692,000))</u>
33		<u>\$50,725,000</u>
34	General Fund--State Appropriation (FY 2013)	<u>((\$50,235,000))</u>
35		<u>\$48,429,000</u>
36	General Fund--Federal Appropriation	<u>\$2,532,000</u>

1	General Fund--Private/Local Appropriation	\$390,000
2	Judicial Information Systems Account--State	
3	Appropriation	((\$42,414,000))
4		<u>\$42,362,000</u>
5	Judicial Stabilization Trust Account--State	
6	Appropriation	((\$5,414,000))
7		<u>\$5,954,000</u>
8	TOTAL APPROPRIATION	((\$151,677,000))
9		<u>\$150,392,000</u>

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

12 (1) \$1,800,000 of the general fund--state appropriation for fiscal
13 year 2012 and (~~(\$1,800,000)~~) \$1,399,000 of the general fund--state
14 appropriation for fiscal year 2013 are provided solely for school
15 districts for petitions to juvenile court for truant students as
16 provided in RCW 28A.225.030 and 28A.225.035. The office of the
17 administrator for the courts shall develop an interagency agreement
18 with the superintendent of public instruction to allocate the funding
19 provided in this subsection. Allocation of this money to school
20 districts shall be based on the number of petitions filed. This
21 funding includes amounts school districts may expend on the cost of
22 serving petitions filed under RCW 28A.225.030 by certified mail or by
23 personal service or for the performance of service of process for any
24 hearing associated with RCW 28A.225.030.

25 (2)(a) \$8,252,000 of the general fund--state appropriation for
26 fiscal year 2012 and (~~(\$8,253,000)~~) \$7,313,000 of the general fund--
27 state appropriation for fiscal year 2013 are provided solely for
28 distribution to county juvenile court administrators to fund the costs
29 of processing truancy, children in need of services, and at-risk youth
30 petitions. The administrator for the courts, in conjunction with the
31 juvenile court administrators, shall develop an equitable funding
32 distribution formula. The formula shall neither reward counties with
33 higher than average per-petition processing costs nor shall it penalize
34 counties with lower than average per-petition processing costs.

35 (b) Each fiscal year during the 2011-2013 fiscal biennium, each
36 county shall report the number of petitions processed and the total
37 actual costs of processing truancy, children in need of services, and
38 at-risk youth petitions. Counties shall submit the reports to the

1 administrator for the courts no later than 45 days after the end of the
2 fiscal year. The administrator for the courts shall electronically
3 transmit this information to the chairs and ranking minority members of
4 the house of representatives and senate ways and means committees no
5 later than 60 days after a fiscal year ends. These reports are deemed
6 informational in nature and are not for the purpose of distributing
7 funds.

8 (3) The distributions made under this subsection and distributions
9 from the county criminal justice assistance account made pursuant to
10 section 801 of this act constitute appropriate reimbursement for costs
11 for any new programs or increased level of service for purposes of RCW
12 43.135.060.

13 (4) \$265,000 of the general fund--state appropriation for fiscal
14 year 2012 is provided solely for the office of public guardianship to
15 provide guardianship services for low-income incapacitated persons.

16 (5) \$1,178,000 of the judicial information systems account--state
17 appropriation is provided solely for replacing computer equipment at
18 state courts and state judicial agencies.

19 (6) No later than September 30, 2011, the judicial information
20 systems committee shall provide a report to the legislature on the
21 recommendations of the case management feasibility study, including
22 plans for a replacement of the superior court management information
23 system (SCOMIS) and plans for completing the data exchange core system
24 component consistent with a complete data exchange standard. No later
25 than December 31, 2011, the judicial information systems committee
26 shall provide a report to the legislature on the status of the data
27 exchange, the procurement process for a SCOMIS replacement, and a case
28 management system that is designed to meet the requirements approved by
29 the superior courts and county clerks of all thirty-nine counties. The
30 legislature shall solicit input on both reports from judicial,
31 legislative, and executive stakeholders.

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

1 adult superior court jurisdiction; or (c) the case was originally filed
2 in adult superior court or transferred to adult superior court but then
3 returned to the juvenile court.

4 (8) \$540,000 of the judicial stabilization trust account--state
5 appropriation is provided solely for the office of public guardianship
6 to continue guardianship services for those low-income incapacitated
7 persons who were receiving services on June 30, 2012.

8 (9) The Washington association of juvenile court administrators and
9 the juvenile rehabilitation administration, in consultation with the
10 community juvenile accountability act advisory committee and the
11 Washington state institute for public policy, shall analyze and review
12 data elements available from the administrative office of the courts
13 for possible integration into the evidence-based program quality
14 assurance plans and processes. The administrative office of the
15 courts, the Washington association of juvenile court administrators,
16 and the juvenile rehabilitation administration shall provide
17 information necessary to complete the review and analysis. The
18 Washington association of juvenile court administrators and the
19 juvenile rehabilitation administration shall report the findings of
20 their review and analysis, as well as any recommendations, to the
21 legislature by December 1, 2012.

22 **Sec. 116.** 2011 2nd sp.s. c 9 s 108 (uncodified) is amended to read
23 as follows:

24 **FOR THE OFFICE OF PUBLIC DEFENSE**

25	General Fund--State Appropriation (FY 2012)	((\$25,030,000))
26		<u>\$25,025,000</u>
27	General Fund--State Appropriation (FY 2013)	((\$24,972,000))
28		<u>\$29,138,000</u>
29	Judicial Stabilization Trust Account--State	
30	Appropriation	((\$2,490,000))
31		<u>\$4,368,000</u>
32	TOTAL APPROPRIATION	((\$52,492,000))
33		<u>\$58,531,000</u>

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

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

1 (2) By December 1, 2011, the office of public defense shall submit
2 to the appropriate policy and fiscal committees of the legislature a
3 proposal for office of public defense to assume the effective and
4 efficient administration of defense services for indigent persons
5 throughout the state who are involved in proceedings under chapter
6 71.09 RCW. In developing its proposal, the office of public defense
7 should consult with interested stakeholders, including the King county
8 public defender, the Washington defender association, the Washington
9 association of criminal defense lawyers, the administrative office of
10 the courts, the superior court judges association, the office of the
11 attorney general, the King county prosecuting attorney, the Washington
12 association of counties, and the department of social and health
13 services. At a minimum, the proposal should identify:

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

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

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

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

27 (3) \$6,065,000 of the general fund--state appropriation for fiscal
28 year 2013 is provided solely to implement Substitute Senate Bill No.
29 6493 (sexual predator commitment). If the bill is not enacted by June
30 30, 2012, the amount provided in this subsection shall lapse.

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

33 **FOR THE OFFICE OF CIVIL LEGAL AID**

34	General Fund--State Appropriation (FY 2012)	((\$11,038,000))
35		<u>\$11,037,000</u>
36	General Fund--State Appropriation (FY 2013)	((\$11,048,000))
37		<u>\$10,555,000</u>

1	Judicial Stabilization Trust Account--State	
2	Appropriation	((\$1,093,000))
3		<u>\$2,073,000</u>
4	TOTAL APPROPRIATION	((\$23,179,000))
5		<u>\$23,665,000</u>

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

14 **Sec. 118.** 2011 2nd sp.s. c 9 s 109 (uncodified) is amended to read
15 as follows:

16	FOR THE OFFICE OF THE GOVERNOR	
17	General Fund--State Appropriation (FY 2012)	((\$5,311,000))
18		<u>\$5,102,000</u>
19	General Fund--State Appropriation (FY 2013)	((\$5,292,000))
20		<u>\$5,247,000</u>
21	Economic Development Strategic Reserve Account--State	
22	Appropriation	\$1,500,000
23	TOTAL APPROPRIATION	((\$12,103,000))
24		<u>\$11,849,000</u>

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

27 (1) \$1,500,000 of the economic development strategic reserve
28 account appropriation is provided solely for efforts to assist with
29 currently active industrial recruitment efforts that will bring new
30 jobs to the state or will retain headquarter locations of major
31 companies currently housed in the state.

32 (2) ((~~\$547,000~~)) \$540,000 of the general fund--state appropriation
33 for fiscal year 2012 and ((~~\$547,000~~)) \$526,000 of the general fund--
34 state appropriation for fiscal year 2013 are provided solely for the
35 office of the education ombudsman.

1 **Sec. 119.** 2011 1st sp.s. c 50 s 117 (uncodified) is amended to
2 read as follows:

3 **FOR THE LIEUTENANT GOVERNOR**

4	General Fund--State Appropriation (FY 2012)	((\$687,000))
5		<u>\$650,000</u>
6	General Fund--State Appropriation (FY 2013)	((\$698,000))
7		<u>\$651,000</u>
8	General Fund--Private/Local Appropriation	\$90,000
9	TOTAL APPROPRIATION	((\$1,475,000))
10		<u>\$1,391,000</u>

11 **Sec. 120.** 2011 2nd sp.s. c 9 s 110 (uncodified) is amended to read
12 as follows:

13 **FOR THE PUBLIC DISCLOSURE COMMISSION**

14	General Fund--State Appropriation (FY 2012)	((\$2,106,000))
15		<u>\$2,019,000</u>
16	General Fund--State Appropriation (FY 2013)	((\$2,129,000))
17		<u>\$1,938,000</u>
18	TOTAL APPROPRIATION	((\$4,235,000))
19		<u>\$3,957,000</u>

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

26 **Sec. 121.** 2011 2nd sp.s. c 9 s 111 (uncodified) is amended to read
27 as follows:

28 **FOR THE SECRETARY OF STATE**

29	General Fund--State Appropriation (FY 2012)	((\$16,014,000))
30		<u>\$16,047,000</u>
31	General Fund--State Appropriation (FY 2013)	((\$12,862,000))
32		<u>\$8,612,000</u>
33	General Fund--Federal Appropriation	((\$7,338,000))
34		<u>\$7,326,000</u>
35	Public Records Efficiency, Preservation, and Access	
36	Account--State Appropriation	((\$7,950,000))

1		<u>\$7,074,000</u>
2	Charitable Organization Education Account--State	
3	Appropriation	((\$452,000))
4		<u>\$362,000</u>
5	Local Government Archives Account--State	
6	Appropriation	((\$10,557,000))
7		<u>\$8,516,000</u>
8	Election Account--Federal Appropriation	((\$17,288,000))
9		<u>\$17,284,000</u>
10	Washington State Heritage Center Account--State	
11	Appropriation	((\$1,028,000))
12		<u>\$5,028,000</u>
13	TOTAL APPROPRIATION	((\$73,489,000))
14		<u>\$70,249,000</u>

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

17 (1) \$3,898,000 of the general fund--state appropriation for fiscal
18 year 2012 is provided solely to reimburse counties for the state's
19 share of primary and general election costs and the costs of conducting
20 mandatory recounts on state measures. Counties shall be reimbursed
21 only for those odd-year election costs that the secretary of state
22 validates as eligible for reimbursement.

23 (2)(a) \$1,847,000 of the general fund--state appropriation for
24 fiscal year 2012 and \$1,926,000 of the general fund--state
25 appropriation for fiscal year 2013 are provided solely for contracting
26 with a nonprofit organization to produce gavel-to-gavel television
27 coverage of state government deliberations and other events of
28 statewide significance during the 2011-2013 biennium. The funding
29 level for each year of the contract shall be based on the amount
30 provided in this subsection. The nonprofit organization shall be
31 required to raise contributions or commitments to make contributions,
32 in cash or in kind, in an amount equal to forty percent of the state
33 contribution. The office of the secretary of state may make full or
34 partial payment once all criteria in this subsection have been
35 satisfactorily documented.

36 (b) The legislature finds that the commitment of on-going funding
37 is necessary to ensure continuous, autonomous, and independent coverage

1 of public affairs. For that purpose, the secretary of state shall
2 enter into a contract with the nonprofit organization to provide public
3 affairs coverage.

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

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

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

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

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

19 (3) Any reductions to funding for the Washington talking book and
20 Braille library may not exceed in proportion any reductions taken to
21 the funding for the library as a whole.

22 **Sec. 122.** 2011 1st sp.s. c 50 s 120 (uncodified) is amended to
23 read as follows:

24 **FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS**

25	General Fund--State Appropriation (FY 2012)	((\$259,000))
26		<u>\$257,000</u>
27	General Fund--State Appropriation (FY 2013)	((\$267,000))
28		<u>\$260,000</u>
29	TOTAL APPROPRIATION	((\$526,000))
30		<u>\$517,000</u>

31 The appropriations in this section are subject to the following
32 conditions and limitations: The office shall assist the department of
33 enterprise services on providing the government-to-government training
34 sessions for federal, state, local, and tribal government employees.
35 The training sessions shall cover tribal historical perspectives, legal
36 issues, tribal sovereignty, and tribal governments. Costs of the
37 training sessions shall be recouped through a fee charged to the

1 participants of each session. The department of enterprise services
2 shall be responsible for all of the administrative aspects of the
3 training, including the billing and collection of the fees for the
4 training.

5 **Sec. 123.** 2011 2nd sp.s. c 9 s 112 (uncodified) is amended to read
6 as follows:

7 **FOR THE COMMISSION ON ASIAN PACIFIC AMERICAN AFFAIRS**

8 General Fund--State Appropriation (FY 2012)	((\$236,000))
9	<u>\$234,000</u>
10 General Fund--State Appropriation (FY 2013)	((\$219,000))
11	<u>\$212,000</u>
12 TOTAL APPROPRIATION	((\$455,000))
13	<u>\$446,000</u>

14 **Sec. 124.** 2011 2nd sp.s. c 9 s 113 (uncodified) is amended to read
15 as follows:

16 **FOR THE STATE TREASURER**

17 State Treasurer's Service Account--State	
18 Appropriation	((\$14,994,000))
19	<u>\$13,706,000</u>

20 **Sec. 125.** 2011 2nd sp.s. c 9 s 114 (uncodified) is amended to read
21 as follows:

22 **FOR THE STATE AUDITOR**

23 State Auditing Services Revolving Account--State	
24 Appropriation	((\$10,293,000))
25	<u>\$9,209,000</u>
26 Performance Audit of Government Account--State	
27 Appropriation	\$1,461,000
28 TOTAL APPROPRIATION	((\$11,754,000))
29	<u>\$10,670,000</u>

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

- 32 (1) Audits of school districts by the division of municipal
33 corporations shall include findings regarding the accuracy of: (a)
34 Student enrollment data; and (b) the experience and education of the

1 district's certified instructional staff, as reported to the
2 superintendent of public instruction for allocation of state funding.

3 (2) \$1,461,000 of the performance audits of government account
4 appropriation is provided solely for staff and related costs to verify
5 the accuracy of reported school district data submitted for state
6 funding purposes; conduct school district program audits of state
7 funded public school programs; establish the specific amount of state
8 funding adjustments whenever audit exceptions occur and the amount is
9 not firmly established in the course of regular public school audits;
10 and to assist the state special education safety net committee when
11 requested.

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

20 **Sec. 126.** 2011 1st sp.s. c 50 s 124 (uncodified) is amended to
21 read as follows:

22 **FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS**

23	General Fund--State Appropriation (FY 2012)	(((\$158,000))
24		<u>\$141,000</u>
25	General Fund--State Appropriation (FY 2013)	(((\$195,000))
26		<u>\$186,000</u>
27	TOTAL APPROPRIATION	(((\$353,000))
28		<u>\$327,000</u>

29 **Sec. 127.** 2011 2nd sp.s. c 9 s 115 (uncodified) is amended to read
30 as follows:

31 **FOR THE ATTORNEY GENERAL**

32	General Fund--State Appropriation (FY 2012)	\$4,758,000
33	General Fund--State Appropriation (FY 2013)	(((\$2,727,000))
34		<u>\$7,690,000</u>
35	General Fund--Federal Appropriation	(((\$8,819,000))
36		<u>\$10,015,000</u>

1	New Motor Vehicle Arbitration Account--State	
2	Appropriation	((\$972,000))
3		<u>\$968,000</u>
4	Legal Services Revolving Account--State	
5	Appropriation	((\$206,617,000))
6		<u>\$197,375,000</u>
7	Tobacco Prevention and Control Account--State	
8	Appropriation	\$270,000
9	<u>Medicaid Fraud Penalty Account--State Appropriation</u>	<u>\$1,129,000</u>
10	TOTAL APPROPRIATION	((\$224,163,000))
11		<u>\$222,205,000</u>

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

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

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

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

36 (4) The attorney general shall enter into an interagency agreement
37 with the department of social and health services for expenditure of

1 the state's proceeds from the *cy pres* settlement in *State of Washington*
2 *v. AstraZeneca* (Seroquel) for the purposes set forth in sections 204
3 and 213 of this act.

4 (5) \$62,000 of the legal services revolving fund--state
5 appropriation is provided solely to implement House Bill No. 1770
6 (state purchasing). If the bill is not enacted by June 30, 2011, the
7 amount provided in this subsection shall lapse.

8 (6) \$5,924,000 of the legal services revolving account--state
9 appropriation is provided solely to implement House Bill No. 2123
10 (workers' compensation). If the bill is not enacted by June 30, 2011,
11 the amount provided in this subsection shall lapse.

12 (7) The office of the attorney general is authorized to expend
13 \$2,100,000 from the *Zyprexa* and other *cy pres* awards towards consumer
14 protection costs in accordance with uses authorized in the court
15 orders.

16 (8) \$96,000 of the legal services revolving fund--state
17 appropriation is provided solely to implement Senate Bill No. 5076
18 (financial institutions). If the bill is not enacted by June 30, 2011,
19 the amount provided in this subsection shall lapse.

20 (9) \$99,000 of the legal services revolving fund--state
21 appropriation is provided solely to implement Engrossed Second
22 Substitute Senate Bill No. 5769 (coal-fired generation). If the bill
23 is not enacted by June 30, 2011, the amount provided in this subsection
24 shall lapse.

25 (10) \$416,000 of the legal services revolving fund--state
26 appropriation is provided solely to implement Substitute Senate Bill
27 No. 5801 (industrial insurance system). If the bill is not enacted by
28 June 30, 2011, the amount provided in this subsection shall lapse.

29 (11) \$31,000 of the legal services revolving fund--state
30 appropriation is provided solely to implement Engrossed Substitute
31 Senate Bill No. 5021 (election campaign disclosure). If the bill is
32 not enacted by June 30, 2011, the amount provided in this subsection
33 shall lapse.

34 (12) The executive ethics board shall: (a) Develop a statewide
35 plan, with performance measures, to provide overall direction and
36 accountability in all executive branch agencies and statewide elected
37 offices; (b) coordinate and work with the commission on judicial
38 conduct and the legislative ethics board; (c) assess and evaluate each

1 agency's ethical culture through employee and stakeholder surveys,
2 review Washington state quality award feedback reports, and publish an
3 annual report on the results to the public; and (d) solicit outside
4 evaluations, studies, and recommendations for improvements from
5 academics, nonprofit organizations, the public disclosure commission,
6 or other entities with expertise in ethics, integrity, and the public
7 sector.

8 (13) \$11,000 of the legal services revolving fund--state
9 appropriation is provided solely to implement House Bill No. 2301
10 (boxing, martial arts, wrestling). If the bill is not enacted by June
11 30, 2012, the amount provided in this subsection shall lapse.

12 (14) \$56,000 of the legal services revolving fund--state
13 appropriation is provided solely to implement House Bill No. 2319
14 (affordable care act). If the bill is not enacted by June 30, 2012,
15 the amount provided in this subsection shall lapse.

16 (15) \$5,743,000 of the general fund--state appropriation for fiscal
17 year 2013 is provided solely for the legal costs associated with the
18 evaluation, filing, prosecution, response to petitions for release, and
19 appeal of sexually violent predator civil commitment cases, as provided
20 in chapter 71.09 RCW. Within the amount provided in this subsection,
21 the attorney general may enter into an interagency agreement with a
22 county prosecutor to perform prosecution services pursuant to chapter
23 71.09 RCW.

24 (16) \$94,000 of the legal services revolving fund--state
25 appropriation is provided solely to implement Senate Bill No. 6103
26 (reflexology and massage therapy). If the bill is not enacted by June
27 30, 2012, the amount provided in this subsection shall lapse.

28 (17) \$57,000 of the legal services revolving fund--state
29 appropriation is provided solely for implementation of Engrossed
30 Substitute Senate Bill No. 6237 (medical assistants). If the bill is
31 not enacted by June 30, 2012, the amount provided in this subsection
32 shall lapse.

33 (18) If Engrossed Substitute Senate Bill No. 5978 (medicaid fraud)
34 is not enacted by June 30, 2012, the amounts appropriated in this
35 section from the medicaid fraud penalty account--state appropriation
36 shall lapse and an additional \$730,000 shall be appropriated from the
37 general fund--state for fiscal year 2013 for fraud detection and

1 prevention activities, recovery of improper payments, and for other
2 medicaid fraud enforcement activities.

3 (19) \$56,000 of the legal services revolving fund--state
4 appropriation is provided solely to implement House Bill No. 2592
5 (extended foster care). If the bill is not enacted by June 30, 2012,
6 the amount provided in this subsection shall lapse.

7 (20) \$65,000 of the legal services revolving fund--state
8 appropriation is provided solely for implementation of Second Engrossed
9 Substitute Senate Bill No. 6406 (state natural resources). If the bill
10 is not enacted by June 30, 2012, the amount provided in this subsection
11 shall lapse.

12 **Sec. 128.** 2011 2nd sp.s. c 9 s 116 (uncodified) is amended to read
13 as follows:

14 **FOR THE CASELOAD FORECAST COUNCIL**

15	General Fund--State Appropriation (FY 2012)	((\$1,310,000))
16		<u>\$1,277,000</u>
17	General Fund--State Appropriation (FY 2013)	((\$1,309,000))
18		<u>\$1,180,000</u>
19	TOTAL APPROPRIATION	((\$2,619,000))
20		<u>\$2,457,000</u>

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

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

32 (2) \$57,000 of the general fund--state appropriation for fiscal
33 year 2012 and \$57,000 of the general fund--state appropriation for
34 fiscal year 2013 are provided solely for the implementation of Senate
35 Bill No. 5304 (college bound scholarship).

1 **Sec. 129.** 2011 2nd sp.s. c 9 s 117 (uncodified) is amended to read
2 as follows:

3 **FOR THE DEPARTMENT OF COMMERCE**

4	General Fund--State Appropriation (FY 2012)	((\$57,261,000))
5		<u>\$51,799,000</u>
6	General Fund--State Appropriation (FY 2013)	((\$72,459,000))
7		<u>\$72,839,000</u>
8	General Fund--Federal Appropriation	((\$282,185,000))
9		<u>\$340,184,000</u>
10	General Fund--Private/Local Appropriation	((\$4,989,000))
11		<u>\$5,036,000</u>
12	Public Works Assistance Account--State	
13	Appropriation	((\$2,764,000))
14		<u>\$2,733,000</u>
15	Drinking Water Assistance Administrative	
16	Account--State Appropriation	\$437,000
17	Lead Paint Account--State Appropriation	\$65,000
18	Building Code Council Account--State Appropriation	\$13,000
19	Home Security Fund Account--State Appropriation	((\$16,652,000))
20		<u>\$21,007,000</u>
21	Affordable Housing for All Account--State	
22	Appropriation	((\$11,902,000))
23		<u>\$11,899,000</u>
24	County Research Services Account--State	
25	Appropriation	((\$1,081,000))
26		<u>\$540,000</u>
27	Financial Fraud and Identity Theft Crimes Investigation	
28	and Prosecution Account--State Appropriation	\$1,166,000
29	Low-Income Weatherization Assistance Account--State	
30	Appropriation	((\$5,778,000))
31		<u>\$2,427,000</u>
32	City and Town Research Services Account--State	
33	Appropriation	((\$5,166,000))
34		<u>\$2,577,000</u>
35	((Manufacturing Innovation and Modernization	
36	 Account--State Appropriation	\$61,000))
37	Community and Economic Development Fee Account--State	
38	Appropriation	((\$6,488,000))

1		<u>\$6,781,000</u>
2	Washington Housing Trust Account--State	
3	Appropriation	((\$17,498,000))
4		<u>\$17,444,000</u>
5	Prostitution Prevention and Intervention Account--	
6	State Appropriation	\$86,000
7	Public Facility Construction Loan Revolving	
8	Account--State Appropriation	((\$755,000))
9		<u>\$748,000</u>
10	Washington Community Technology Opportunity Account--	
11	State Appropriation	\$713,000
12	<u>Liquor Revolving Account--State Appropriation</u>	<u>\$2,802,000</u>
13	TOTAL APPROPRIATION	((\$487,519,000))
14		<u>\$541,296,000</u>

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

17 (1) Repayments of outstanding mortgage and rental assistance
18 program loans administered by the department under RCW 43.63A.640 shall
19 be remitted to the department, including any current revolving account
20 balances. The department shall collect payments on outstanding loans,
21 and deposit them into the state general fund. Repayments of funds owed
22 under the program shall be remitted to the department according to the
23 terms included in the original loan agreements.

24 (2) \$500,000 of the general fund--state appropriation for fiscal
25 year 2012 and \$500,000 of the general fund--state appropriation for
26 fiscal year 2013 are provided solely for a grant to resolution
27 Washington to building statewide capacity for alternative dispute
28 resolution centers and dispute resolution programs that guarantee that
29 citizens have access to low-cost resolution as an alternative to
30 litigation.

31 (3) \$306,000 of the general fund--state appropriation for fiscal
32 year 2012 and \$306,000 of the general fund--state appropriation for
33 fiscal year 2013 are provided solely for a grant to the retired senior
34 volunteer program.

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

1 (5) \$1,800,000 of the home security fund--state appropriation is
2 provided for transitional housing assistance or partial payments for
3 rental assistance under the independent youth housing program.

4 (6) \$5,000,000 of the home security fund--state appropriation is
5 for the operation, repair, and staffing of shelters in the homeless
6 family shelter program.

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

11 (8) \$2,949,000 of the general fund--state appropriation for fiscal
12 year 2012 and \$2,949,000 of the general fund--state appropriation for
13 fiscal year 2013 are provided solely for associate development
14 organizations.

15 (9) \$127,000 of the general fund--federal appropriation is provided
16 solely for implementation of Substitute House Bill No. 1886
17 (Ruckelshaus center process). If the bill is not enacted by June 30,
18 2011, the amount provided in this subsection shall lapse.

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

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

1 (12) \$2,000,000 of the community and economic development fee
2 account appropriation is provided solely for the department of commerce
3 for services to homeless families through the Washington families fund.

4 (13) (~~(\$260,000)~~) \$234,000 of the general fund--state appropriation
5 for fiscal year 2012 and (~~(\$259,000)~~) \$233,000 of the general fund--
6 state appropriation for fiscal year 2013 are provided solely for the
7 Washington asset building coalitions.

8 (14) \$1,859,000 of the general fund--state appropriation for fiscal
9 year 2012 and \$1,859,000 of the general fund--state appropriation for
10 fiscal year 2013 are provided solely for innovative research teams,
11 also known as entrepreneurial STARS, at higher education research
12 institutions, and for entrepreneurs-in-residence programs at higher
13 education research institutions and entrepreneurial assistance
14 organizations. Of these amounts no more than \$50,000 in fiscal year
15 2012 and no more than \$50,000 in fiscal year 2013 may be provided for
16 the operation of entrepreneurs-in-residence programs at entrepreneurial
17 assistance organizations external to higher education research
18 institutions.

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

24 (16) \$16,000 of the general fund--state appropriation for fiscal
25 year 2012 is provided solely to implement section 503 of Substitute
26 House Bill No. 1277 (licensed settings for vulnerable adults). The
27 long-term care ombudsman shall convene an adult family home quality
28 assurance panel to review problems concerning the quality of care for
29 residents in adult family homes. If Substitute House Bill No. 1277
30 (licensed settings for vulnerable adults) is not enacted by June 30,
31 2011, the amount provided in this subsection shall lapse.

32 (17) (~~(\$24,605,000)~~) \$19,605,000 of the general fund--state
33 appropriation for fiscal year 2012 and \$39,527,000 of the general
34 fund--state appropriation for fiscal year 2013 are provided solely for
35 establishment of the essential needs and housing support program
36 created in Engrossed Substitute House Bill No. 2082 (essential needs
37 and assistance program). The department of commerce shall contract for
38 these services with counties or community-based organizations involved

1 in providing essential needs and housing supports to low-income persons
2 who meet eligibility pursuant to Engrossed Substitute House Bill No.
3 2082. The department shall limit the funding used for administration
4 of the program to no more than five percent. Counties and community
5 providers shall limit the funding used for administration of the
6 program to no more than seven percent.

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

15 (b) Of the amounts provided in this subsection, ~~((\$30,000,000))~~
16 \$55,000,000 is provided solely for housing support services to
17 individuals who are homeless or who may become homeless, and are
18 eligible for services under this program pursuant to Engrossed
19 Substitute House Bill No. 2082.

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

25 (18) \$4,380,000 of the home security fund--state appropriation is
26 provided solely for the department to provide homeless housing services
27 in accordance with Engrossed Substitute House Bill No. 2048 (housing
28 assistance surcharges). If Engrossed Substitute House Bill No. 2048
29 (housing assistance surcharges) is not enacted by June 30, 2012, the
30 amounts provided in this subsection shall lapse.

31 (19) \$85,000 of the general fund--state appropriation for fiscal
32 year 2013 is provided solely for the developmental disabilities council
33 to contract for a family-to-family mentor program to provide
34 information and support to families and guardians of persons who are
35 transitioning out of residential habilitation centers. To the maximum
36 extent allowable under federal law, these funds shall be matched under
37 medicaid through the department of social and health services and

1 federal funds shall be transferred to the department for the purposes
2 stated in this subsection.

3 (20) \$2,802,000 of the liquor revolving account--state
4 appropriation is provided solely for the department to contract with
5 the municipal research and services center of Washington.

6 (21) \$1,000,000 of the general fund--state appropriation for fiscal
7 year 2013 is provided solely for deposit in the shelter to housing
8 project account, hereby created in the custody of the state treasurer
9 as a nonappropriated account. The department may expend funds from the
10 account solely for a two-year pilot project to enable young adults to
11 move from temporary emergency shelter housing to transitional and
12 permanent housing throughout King county. The pilot project will be
13 administered under contract with the YMCA of greater Seattle in
14 collaboration with the rising out of the shadows young adult shelter.
15 Funding may be used for case management, housing subsidy,
16 transportation, shelter services, training and evaluation. The pilot
17 project and the shelter to housing project account expire December 31,
18 2014.

19 (22) \$12,000 of the general fund--state appropriation for fiscal
20 year 2013 is provided solely to implement Engrossed Second Substitute
21 Senate Bill No. 5292 (irrigation and port districts). If the bill is
22 not enacted by June 30, 2012, the amount provided in this subsection
23 shall lapse.

24 (23) \$100,000 of the general fund--private/local appropriation is
25 provided solely for the department to provide analysis and an advisory
26 opinion on whether a proposed electric generation project or
27 conservation resource qualifies to meet mandatory conservation targets
28 in accordance with Substitute Senate Bill No. 6414 (review
29 process/utilities). The department is authorized to require an
30 applicant to pay an application fee to cover the cost of reviewing the
31 project and preparing an advisory opinion. If Substitute Senate Bill
32 No. 6414 (review process/utilities) is not enacted by June 30, 2012,
33 the amount provided in this subsection shall lapse.

34 **Sec. 130.** 2011 1st sp.s. c 50 s 128 (uncodified) is amended to
35 read as follows:

36 **FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL**
37 General Fund--State Appropriation (FY 2012) ((\$674,000))

1		\$648,000
2	General Fund--State Appropriation (FY 2013)	((\$728,000))
3		<u>\$789,000</u>
4	Lottery Administrative Account--State Appropriation	\$50,000
5	TOTAL APPROPRIATION	((\$1,452,000))
6		<u>\$1,487,000</u>

7 The appropriations in this section are subject to the following
8 conditions and limitations: \$90,000 of the general fund--state
9 appropriation for fiscal year 2013 is provided solely to implement
10 Substitute Senate Bill No. 6636 (balanced budget). If the bill is not
11 enacted by June 30, 2012, the amount provided in this subsection shall
12 lapse.

13 **Sec. 131.** 2011 2nd sp.s. c 9 s 118 (uncodified) is amended to read
14 as follows:

15 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

16	General Fund--State Appropriation (FY 2012)	((\$18,627,000))
17		<u>\$18,369,000</u>
18	General Fund--State Appropriation (FY 2013)	((\$18,851,000))
19		<u>\$18,584,000</u>
20	General Fund--Federal Appropriation	((\$31,534,000))
21		<u>\$31,530,000</u>
22	General Fund--Private/Local Appropriation	((\$1,270,000))
23		<u>\$1,370,000</u>
24	Performance Audits of Government Account--State	
25	Appropriation	((\$25,000))
26		<u>\$198,000</u>
27	Economic Development Strategic Reserve Account--State	
28	Appropriation	\$280,000
29	Department of Personnel Services--State	
30	Appropriation	((\$7,827,000))
31		<u>\$8,551,000</u>
32	Data Processing Revolving Account--State	
33	Appropriation	((\$5,208,000))
34		<u>\$5,910,000</u>
35	Higher Education Personnel Services Account--State	
36	Appropriation	\$1,537,000
37	Aquatic Lands Enhancement Account--State Appropriation	\$100,000

1 TOTAL APPROPRIATION ((~~\$85,259,000~~))
2 \$86,429,000

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

5 (1) \$1,210,000 of the general fund--state appropriation for fiscal
6 year 2012 and \$1,210,000 of the general fund--state appropriation for
7 fiscal year 2013 are provided solely for implementation of House Bill
8 No. 1178 (regulatory assistance office). If the bill is not enacted by
9 June 30, 2011, the amounts provided in this subsection shall lapse.

10 (2) \$150,000 of the general fund--state appropriation for fiscal
11 year 2012 is provided solely for the office of financial management to
12 contract with an independent consultant to evaluate and recommend the
13 most cost-effective provision of services required to support the
14 department of social and health services special commitment center on
15 McNeil Island. The evaluation shall include island operation services
16 that include, but are not limited to: (a) Marine transport of
17 passengers and goods; (b) wastewater treatment; (c) fire protection and
18 suppression; (d) electrical supply; (e) water supply; and (f) road
19 maintenance.

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

25 (3) \$100,000 of the aquatic lands enhancement account--state
26 appropriation is provided solely for the office of financial management
27 to prepare a report to be used to initiate a comprehensive, long-range
28 planning process for the future of McNeil Island during the 2013-2015
29 fiscal biennium.

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

31 (i) Ownership issues, including consultation with the federal
32 government about its current legal requirements associated with the
33 island;

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

36 (iii) Tribal treaty interests;

37 (iv) Fish and wildlife species and their habitats;

38 (v) Land use and public safety needs;

1 (vi) Recreational opportunities for the general public;
2 (vii) Historic and archaeological resources; and
3 (viii) Revenue from and necessary to support potential future uses
4 of the island.

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

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

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

14 (i) Federal agencies with relevant responsibilities;

15 (ii) Tribal governments;

16 (iii) State agencies;

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

19 (v) Interested private organizations and individuals.

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

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

31 (5) \$23,000 of the general fund--state appropriation for fiscal
32 year 2013 is provided solely for the office of regulatory assistance to
33 implement the following:

34 (a) Coordination of an agency small business liaison team to assist
35 small businesses with permitting and regulatory issues. The small
36 business liaison team, as part of the biennial report submitted by the
37 office of regulatory assistance, must provide recommendations for
38 improvements to inspection and compliance practices and ways to improve

1 customer service for regulatory agencies. The office must work with
2 regulatory agencies to: (i) Assure that additional violations or
3 corrective actions that could have been discovered and noted in the
4 original violation or correction notice are not subsequently added and
5 to provide a single list of any violations discovered during the
6 regulatory visit or inspection; (ii) provide notice about when the
7 business may expect the results of a technical assistance or regulatory
8 visit; (iii) provide information about how the business may provide
9 anonymous feedback regarding a technical assistance or other regulatory
10 visit; and (iv) provide information regarding the role of the agency's
11 small business liaison as a neutral party within the agency, as well as
12 contact information for the liaison.

13 (b) In coordination with regulatory agencies, development of an
14 anonymous customer service survey that regulated entities may complete
15 after an inspection or a technical assistance visit under chapter 43.05
16 RCW, or a consultative visit under RCW 49.17.250. The survey must
17 include questions addressing the points in this subsection (b) but may
18 be designed in a way that best serves the needs of the multiple
19 agencies and customers that will be using the survey. The survey must
20 provide a way of identifying the agency that performed the inspection,
21 and if possible within the resources allowed, provide a means of
22 identifying the inspector who provided services. Questions should
23 address the following topics:

24 (i) Whether staff were helpful, friendly, listened to the regulated
25 party, used professional judgment, and communicated clearly;

26 (ii) Whether the inspector viewed the customer as a partner, worked
27 on a cooperative relationship, and worked on innovative solutions;

28 (iii) Whether the inspector informed the customer why the customer
29 received a site visit or inspection, described the site visit or
30 inspection process, answered questions about the process, and explained
31 regulatory requirements; and

32 (iv) Whether the inspector was knowledgeable about the businesses
33 operations and provided useful technical information.

34 The survey must be available on the office web site. The results
35 of the surveys must be summarized, by agency, in a report and forwarded
36 to the agency director, the governor, and the appropriate committees of
37 the legislature. Each agency shall receive a copy of all relevant

1 survey information. No identifying information may be included that
2 would reveal the identity of the respondent.

3 (6) \$115,000 of the general fund--state appropriation for fiscal
4 year 2013 is provided solely for implementation of Engrossed Substitute
5 House Bill No. 2483 (higher education coordination). If the bill is
6 not enacted by June 30, 2012, the amount provided in this subsection
7 shall lapse.

8 (7)(a) The office of financial management shall determine if cost
9 savings can be achieved by the state through contracting for
10 interpreter services more effectively. The office of financial
11 management must work with all state agencies that use interpreter
12 services to determine:

13 (i) How agencies currently procure interpreter services;

14 (ii) To what degree brokers or foreign language agencies are used
15 in the acquisition of interpreter services; and

16 (iii) The cost of interpreter services as currently provided.

17 (b) The office of financial management, in consultation with the
18 department of enterprise services, must also examine approaches to
19 procuring interpreter services, including using the department of
20 enterprise services' master contract, limiting overhead costs
21 associated with interpreter contracts, and direct scheduling of
22 interpreters. The report must include recommendations for the state to
23 procure services in a more consistent and cost-effective manner.

24 (c) The office of financial management, in consultation with the
25 department of labor and industries, must determine the impact that any
26 alternative approach to procuring interpreter services will have on
27 medical providers.

28 (d) The report must include:

29 (i) Analysis of the current process for procuring interpreter
30 services;

31 (ii) Recommendations regarding options to make obtaining
32 interpreter services more consistent and cost-effective; and

33 (iii) Estimates for potential cost savings.

34 (e) The office of financial management must report to the fiscal
35 committees of the legislature by December 1, 2012.

36 (8) \$25,000 of the general fund--state appropriation for fiscal
37 year 2012 and \$225,000 of the general fund--state appropriation for

1 fiscal year 2013 are provided solely for implementation of House Bill
2 No. 2824 (education funding). If the bill is not enacted by June 30,
3 2012, the amount provided in this subsection shall lapse.

4 **Sec. 132.** 2011 2nd sp.s. c 9 s 119 (uncodified) is amended to read
5 as follows:

6 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**
7 Administrative Hearings Revolving Account--State
8 Appropriation ((~~\$34,043,000~~))
9 \$35,713,000

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

16 **Sec. 133.** 2011 2nd sp.s. c 9 s 120 (uncodified) is amended to read
17 as follows:

18 **FOR THE WASHINGTON STATE LOTTERY**
19 Lottery Administrative Account--State
20 Appropriation ((~~\$25,709,000~~))
21 \$24,664,000

22 **Sec. 134.** 2011 1st sp.s. c 50 s 132 (uncodified) is amended to
23 read as follows:

24 **FOR THE COMMISSION ON HISPANIC AFFAIRS**
25 General Fund--State Appropriation (FY 2012) ((~~\$246,000~~))
26 \$244,000
27 General Fund--State Appropriation (FY 2013) ((~~\$250,000~~))
28 \$244,000
29 TOTAL APPROPRIATION ((~~\$496,000~~))
30 \$488,000

31 **Sec. 135.** 2011 1st sp.s. c 50 s 133 (uncodified) is amended to
32 read as follows:

33 **FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS**
34 General Fund--State Appropriation (FY 2012) ((~~\$239,000~~))

1		<u>\$237,000</u>
2	General Fund--State Appropriation (FY 2013)	((\$238,000))
3		<u>\$232,000</u>
4	TOTAL APPROPRIATION	((\$477,000))
5		<u>\$469,000</u>

6 **Sec. 136.** 2011 2nd sp.s. c 9 s 121 (uncodified) is amended to read
7 as follows:

8 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--OPERATIONS**

9 Department of Retirement Systems Expense

10	Account--State Appropriation	((\$47,049,000))
11		<u>\$46,511,000</u>

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

14 (1) \$146,000 of the department of retirement systems--state
15 appropriation is provided solely for the administrative costs
16 associated with implementation of House Bill No. 2070 (state and local
17 government employees). If the bill is not enacted by June 30, 2011,
18 the amount provided in this subsection shall lapse.

19 (2) \$65,000 of the department of retirement systems--state
20 appropriation is provided solely for the administrative costs
21 associated with implementation of House Bill No. 1625 (plan 3 default
22 investment option). If the bill is not enacted by June 30, 2011, the
23 amount provided in this subsection shall lapse.

24 (3) \$133,000 of the department of retirement systems--state
25 appropriation is provided solely for the administrative costs
26 associated with implementation of Engrossed House Bill No. 1981 as
27 amended (post-retirement employment). If the bill is not enacted by
28 June 30, 2011, the amount provided in this subsection shall lapse.

29 (4) \$15,000 of the department of retirement systems expense
30 account--state appropriation is provided solely for the administrative
31 costs associated with implementation of Substitute House Bill No. 2021
32 (plan 1 annual increase amounts). If the bill is not enacted by June
33 30, 2011, the amount provided in this section shall lapse.

34 (5) \$32,000 of the department of retirement systems--state
35 appropriation is provided solely for the administrative costs
36 associated with implementation of Engrossed Senate Bill No. 5159 (state

1 patrol retirement system service credit). If the bill is not enacted
2 by June 30, 2012, the amount provided in this subsection shall lapse.

3 **Sec. 137.** 2011 2nd sp.s. c 9 s 122 (uncodified) is amended to read
4 as follows:

5 **FOR THE DEPARTMENT OF REVENUE**

6	General Fund--State Appropriation (FY 2012)	((\$100,927,000))
7		<u>\$100,691,000</u>
8	General Fund--State Appropriation (FY 2013)	((\$100,801,000))
9		<u>\$99,207,000</u>
10	Timber Tax Distribution Account--State Appropriation	((\$5,940,000))
11		<u>\$5,900,000</u>
12	Waste Reduction/Recycling/Litter Control--State	
13	Appropriation	\$129,000
14	Waste Tire Removal Account--State Appropriation	\$2,000
15	State Toxics Control Account--State Appropriation	\$87,000
16	Oil Spill Prevention Account--State Appropriation	\$19,000
17	Master License Fund--State Appropriation	((\$14,012,000))
18		<u>\$13,922,000</u>
19	Vehicle License Fraud Account--State Appropriation	\$5,000
20	Performance Audits of Government Account--State	
21	Appropriation	\$3,188,000
22	TOTAL APPROPRIATION	((\$225,110,000))
23		<u>\$223,150,000</u>

24 **Sec. 138.** 2011 1st sp.s. c 50 s 137 (uncodified) is amended to
25 read as follows:

26 **FOR THE BOARD OF TAX APPEALS**

27	General Fund--State Appropriation (FY 2012)	((\$1,241,000))
28		<u>\$1,189,000</u>
29	General Fund--State Appropriation (FY 2013)	((\$1,219,000))
30		<u>\$1,150,000</u>
31	TOTAL APPROPRIATION	((\$2,460,000))
32		<u>\$2,339,000</u>

33 **Sec. 139.** 2011 2nd sp.s. c 9 s 123 (uncodified) is amended to read
34 as follows:

1 **FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES**

2 OMWBE Enterprises Account--State Appropriation ((\$3,264,000))
3 \$3,654,000

4 **Sec. 140.** 2011 2nd sp.s. c 9 s 125 (uncodified) is amended to read
5 as follows:

6 **FOR THE INSURANCE COMMISSIONER**

7 General Fund--State Appropriation (FY 2013) \$650,000
8 General Fund--Federal Appropriation ((\$4,452,000))
9 \$4,450,000

10 Insurance Commissioners Regulatory Account--State
11 Appropriation ((\$47,514,000))
12 \$47,987,000

13 TOTAL APPROPRIATION ((\$51,966,000))
14 \$53,087,000

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

17 (1) \$75,000 of the insurance commissioner's regulatory
18 account--state appropriation is provided solely for the implementation
19 of Substitute Senate Bill No. 5445 (health benefit exchange).

20 (2) \$42,000 of the insurance commissioner's regulatory
21 account--state appropriation is provided solely for the implementation
22 of Senate Bill No. 5213 (insurance statutes).

23 (3) \$758,000 of the insurance commissioners regulatory account--
24 state appropriation is provided solely to implement Engrossed Second
25 Substitute House Bill No. 2319 (affordable care act). If the bill is
26 not enacted by June 30, 2012, the amount provided in this subsection
27 shall lapse.

28 (4) \$650,000 of the general fund--state appropriation for fiscal
29 year 2013 is provided solely to implement House Bill No. 2829 or Senate
30 Bill No. 5940 (public school employees' insurance benefits). If
31 neither bill is enacted by June 30, 2012, the amount provided in this
32 subsection shall lapse.

33 **Sec. 141.** 2011 1st sp.s. c 50 s 136 (uncodified) is amended to
34 read as follows:

35 **FOR THE STATE INVESTMENT BOARD**

36 State Investment Board Expense Account--State

1 Appropriation ((\$29,256,000))
2 \$29,075,000

3 **Sec. 142.** 2011 2nd sp.s. c 9 s 128 (uncodified) is amended to read
4 as follows:

5 **FOR THE LIQUOR CONTROL BOARD**

6 Liquor Control Board Construction and Maintenance
7 Account--State Appropriation ((\$10,081,000))
8 \$3,063,000
9 Liquor Revolving Account--State Appropriation ((\$176,238,000))
10 \$171,838,000
11 General Fund--Federal Appropriation ((\$120,000))
12 \$945,000
13 General Fund--Private/Local Appropriation \$25,000
14 TOTAL APPROPRIATION ((\$186,439,000))
15 \$175,871,000

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

18 (1) The legislature intends to facilitate the orderly transition of
19 liquor services as required by Initiative Measure No. 1183. For liquor
20 control board employees that remain through June 15, 2012, a temporary
21 opportunity to cash out sick leave is provided to assist the unique
22 challenges to the liquor control board and its employees posed by this
23 transition.

24 (2) Within the amounts appropriated in this section from the liquor
25 revolving account--state appropriation, liquor control board employees
26 who: (a) Occupy positions in the job classifications provided in
27 subsection (3)(c) of this section that will be eliminated after the
28 liquor control board ceases to distribute liquor; and (b) remain as
29 liquor control board employees through June 15, 2012, and who separate
30 from service due to lay off by October 1, 2012, may elect to receive
31 remuneration for their entire sick leave balance at a rate equal to one
32 day's current monetary compensation of the employee for each four full
33 days of accrued sick leave.

34 (3) The following conditions apply to sick leave cash out under
35 this subsection:

36 (a) The rate of monetary compensation for the purposes of this
37 subsection shall not be reduced by any temporary salary reduction;

1 (b) Remuneration or benefits received under this subsection shall
2 not be included for the purpose of computing a retirement allowance
3 under any public retirement system in this state;

4 (c) The following job classifications are eligible:

5 (i) Liquor store clerk;

6 (ii) Retail assistant store manager 1;

7 (iii) Retail assistant store manager 2;

8 (iv) Retail store manager 3;

9 (v) Retail store manager 4;

10 (vi) Retail district manager;

11 (vii) Retail operations manager;

12 (viii) Director of retail services;

13 (ix) Director of distribution center;

14 (x) Director of purchasing;

15 (xi) Director of business enterprise;

16 (xii) Warehouse operator 1;

17 (xiii) Warehouse operator 2;

18 (xiv) Warehouse operator 3; and

19 (xv) Warehouse operator 4; and

20 (d) Should the legislature revoke any remuneration or benefits
21 granted under this section, an affected employee shall not be entitled
22 thereafter to receive such benefits as a matter of contractual right.

23 **Sec. 143.** 2011 2nd sp.s. c 9 s 129 (uncodified) is amended to read
24 as follows:

25 **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

26 General Fund--Federal Appropriation \$502,000

27 General Fund--Private/Local Appropriation ((~~\$11,175,000~~))

28 \$11,166,000

29 Public Service Revolving Account--State

30 Appropriation ((~~\$30,992,000~~))

31 \$30,872,000

32 Pipeline Safety Account--State Appropriation ((~~\$3,201,000~~))

33 \$3,183,000

34 Pipeline Safety Account--Federal Appropriation ((~~\$2,848,000~~))

35 \$2,844,000

36 TOTAL APPROPRIATION ((~~\$48,718,000~~))

37 \$48,567,000

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

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

8 (2) \$15,000 of the pipeline safety account--state appropriation is
9 provided solely for the implementation of Engrossed Second Substitute
10 House Bill No. 1634 (underground utilities).

11 (3) \$182,000 of the public service revolving account--state
12 appropriation is provided solely for the implementation of Engrossed
13 Second Substitute Senate Bill No. 5769 (coal-fired generation).

14 (4) \$169,000 of the public service revolving account--state
15 appropriation is provided solely for the implementation of Second
16 Substitute Senate Bill No. 5034 (private infrastructure).

17 **Sec. 144.** 2011 2nd sp.s. c 9 s 130 (uncodified) is amended to read
18 as follows:

19 **FOR THE MILITARY DEPARTMENT**

20	General Fund--State Appropriation (FY 2012)	(((\$7,175,000))
21		<u>\$7,116,000</u>
22	General Fund--State Appropriation (FY 2013)	(((\$7,175,000))
23		<u>\$6,872,000</u>
24	General Fund--Federal Appropriation	(((\$159,181,000))
25		<u>\$159,075,000</u>
26	Enhanced 911 Account--State Appropriation	(((\$46,556,000))
27		<u>\$48,620,000</u>
28	Disaster Response Account--State Appropriation	(((\$17,933,000))
29		<u>\$23,119,000</u>
30	Disaster Response Account--Federal Appropriation	(((\$66,266,000))
31		<u>\$91,368,000</u>
32	Military Department Rent and Lease Account--State	
33	Appropriation	\$615,000
34	Worker and Community Right-to-Know Account--State	
35	Appropriation	(((\$2,165,000))
36		<u>\$2,163,000</u>
37	TOTAL APPROPRIATION	(((\$307,066,000))

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. 145. 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))
	<u>\$2,104,000</u>
General Fund--State Appropriation (FY 2013)	((\$2,400,000))
	<u>\$2,130,000</u>
Higher Education Personnel Services Account--State	
Appropriation	((\$251,000))
	<u>\$276,000</u>
Department of Personnel Service Account--State	

1 Appropriation ((~~\$3,309,000~~))
 2 \$3,290,000
 3 TOTAL APPROPRIATION ((~~\$8,306,000~~))
 4 \$7,800,000

5 **Sec. 146.** 2011 2nd sp.s. c 9 s 126 (uncodified) is amended to read
 6 as follows:

7 **FOR THE BOARD OF ACCOUNTANCY**
 8 Certified Public Accountants' Account--State
 9 Appropriation ((~~\$2,808,000~~))
 10 \$2,642,000

11 **Sec. 147.** 2011 1st sp.s. c 50 s 142 (uncodified) is amended to
 12 read as follows:

13 **FOR THE FORENSIC INVESTIGATION COUNCIL**
 14 Death Investigations Account--State Appropriation ((~~\$286,000~~))
 15 \$490,000

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

18 (1) \$250,000 of the death investigations account appropriation is
 19 provided solely for providing financial assistance to local
 20 jurisdictions in multiple death investigations. The forensic
 21 investigation council shall develop criteria for awarding these funds
 22 for multiple death investigations involving an unanticipated,
 23 extraordinary, and catastrophic event or those involving multiple
 24 jurisdictions.

25 (2) \$210,000 of the death investigations account appropriation is
 26 provided solely for providing financial assistance to local
 27 jurisdictions in identifying human remains.

28 **Sec. 148.** 2011 2nd sp.s. c 9 s 127 (uncodified) is amended to read
 29 as follows:

30 **FOR THE HORSE RACING COMMISSION**
 31 Horse Racing Commission Operating Account--State
 32 Appropriation ((~~\$4,007,000~~))
 33 \$3,923,000

1 **Sec. 149.** 2011 2nd sp.s. c 9 s 132 (uncodified) is amended to read
2 as follows:

3 **FOR THE DEPARTMENT OF ENTERPRISE SERVICES**

4	General Fund--State Appropriation (FY 2012)	((\$3,501,000))
5		<u>\$3,401,000</u>
6	General Fund--State Appropriation (FY 2013)	((\$3,495,000))
7		<u>\$3,309,000</u>
8	General Fund--Federal Appropriation	\$177,000
9	General Fund--Private/Local Appropriation	\$368,000
10	Building Code Council Account--State Appropriation . . .	((\$1,187,000))
11		<u>\$1,186,000</u>
12	Department of Personnel Service Account--State	
13	Appropriation	((\$11,119,000))
14		<u>\$11,117,000</u>
15	Enterprise Services Account--State Appropriation . . .	((\$26,540,000))
16		<u>\$26,336,000</u>
17	TOTAL APPROPRIATION	((\$46,387,000))
18		<u>\$45,894,000</u>

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

21 (1) The appropriations in this section are for the operations and
22 expenses of the department of enterprise services as established by
23 Engrossed Substitute Senate Bill No. 5931 (central service functions of
24 state government), effective October 1, 2011. Prior to October 1,
25 2011, the appropriations in this section may be expended for the
26 continued operations and expenses of the office of financial
27 management, the department of general administration, the department of
28 information services, and the department of personnel, pursuant to the
29 expenditure authority schedules produced by the office of financial
30 management, in accordance with chapter 43.88 RCW.

31 (2) ((~~\$3,090,000~~)) \$3,028,000 of the general fund--state
32 appropriation for fiscal year 2012 and ((~~\$3,090,000~~)) \$2,967,000 of the
33 general fund--state appropriation for fiscal year 2013 are provided
34 solely for the payment of facilities and services charges, utilities
35 and contracts charges, public and historic facilities charges, and
36 capital projects surcharges allocable to the senate, house of
37 representatives, statute law committee, and joint legislative systems
38 committee. The department shall allocate charges attributable to these

1 agencies among the affected revolving funds. The department shall
2 maintain an interagency agreement with these agencies to establish
3 performance standards, prioritization of preservation and capital
4 improvement projects, and quality assurance provisions for the delivery
5 of services under this subsection. The legislative agencies named in
6 this subsection shall continue to enjoy all of the same rights of
7 occupancy and space use on the capitol campus as historically
8 established.

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

12 (4) The building code council account appropriation is provided
13 solely for the operation of the state building code council as required
14 by statute and modified by the standards established by executive order
15 10-06. The council shall not consider any proposed code amendment or
16 take any other action not authorized by statute or in compliance with
17 the standards established in executive order 10-06. No member of the
18 council may receive compensation, per diem, or reimbursement for
19 activities other than physical attendance at those meetings of the
20 state building code council or the council's designated committees, at
21 which the opportunity for public comment is provided generally and on
22 all agenda items upon which the council proposes to take action.

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

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

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

31 (8) Before any agency may purchase a passenger motor vehicle as
32 defined in RCW 43.19.560, the agency must have written approval from
33 the director of the department of enterprise services.

34 (9) The department shall adjust billings for self-insurance
35 premiums to transportation agencies to reflect rate reductions assumed
36 in this act.

1 **Sec. 150.** 2011 1st sp.s. c 50 s 147 (uncodified) is amended to
2 read as follows:

3 **FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS**

4 Volunteer Firefighters' and Reserve Officers'

5 Administrative Account--State Appropriation (~~(\$1,064,000)~~)
6 \$1,039,000

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

9 **FOR INNOVATE WASHINGTON**

10 General Fund--State Appropriation (FY 2012) (~~(\$2,999,000)~~)
11 \$2,879,000

12 General Fund--State Appropriation (FY 2013) (~~(\$3,011,000)~~)
13 \$2,755,000

14 TOTAL APPROPRIATION (~~(\$6,010,000)~~)
15 \$5,634,000

16 The appropriations in this section are subject to the following
17 conditions and limitations: \$65,000 of the general fund--state
18 appropriation for fiscal year 2013 is provided solely for the
19 implementation of Substitute Senate Bill No. 5982 (aerospace technology
20 innovation). If the bill is not enacted by June 30, 2012, the amount
21 provided in this subsection shall lapse.

22 **Sec. 152.** 2011 1st sp.s. c 50 s 149 (uncodified) is amended to
23 read as follows:

24 **FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION**

25 Washington State Heritage Center Account--State

26 Appropriation (~~(\$2,517,000)~~)
27 \$2,487,000

28 General Fund--Federal Appropriation (~~(\$1,908,000)~~)
29 \$1,904,000

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

31 TOTAL APPROPRIATION (~~(\$4,439,000)~~)
32 \$4,405,000

(End of part)

PART II
HUMAN SERVICES

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

5 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES**

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

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

31 (3)(a) The health care authority and the department are authorized
32 to develop an integrated health care program designed to slow the
33 progression of illness and disability and better manage medicaid
34 expenditures for the aged and disabled population. Under ~~((this))~~ the
35 Washington medicaid integration partnership (WMIP) and the medicare
36 integrated care project (MICP), the health care authority and the

1 department may combine and transfer such medicaid funds appropriated
2 under sections 204, 206, 208, and 213 of this act as may be necessary
3 to finance a unified health care plan for the WMIP and the MICP program
4 enrollment. The WMIP pilot projects shall not exceed a daily
5 enrollment of 6,000 persons, nor expand beyond one county during the
6 2011-2013 fiscal biennium. The amount of funding assigned from each
7 program may not exceed the average per capita cost assumed in this act
8 for individuals covered by that program, actuarially adjusted for the
9 health condition of persons enrolled, times the number of clients
10 enrolled. In implementing the WMIP and the MICP, the health care
11 authority and the department may: ~~((a))~~ (i) Withhold from
12 calculations of "available resources" as set forth in RCW 71.24.025 a
13 sum equal to the capitated rate for enrolled individuals; and ~~((b))~~
14 (ii) employ capitation financing and risk-sharing arrangements in
15 collaboration with health care service contractors licensed by the
16 office of the insurance commissioner and qualified to participate in
17 both the medicaid and medicare programs. The health care authority and
18 the department shall conduct an evaluation of the WMIP~~((7))~~ by October
19 15, 2012, and of the MICP measuring changes in participant health
20 outcomes, changes in patterns of service utilization, participant
21 satisfaction, participant access to services, and the state fiscal
22 impact.

23 (b) Effective January 1, 2013, if Washington has been selected to
24 participate in phase two of the federal demonstration project for
25 persons dually-eligible for both medicare and medicaid, the department
26 and the authority may initiate the MICP. Participation in the project
27 shall be limited to persons who are eligible for both medicare and
28 medicaid and to counties in which the county legislative authority has
29 agreed to the terms and conditions under which it will operate. The
30 purpose of the project shall be to demonstrate and evaluate ways to
31 improve care while reducing state expenditures for persons enrolled
32 both in medicare and medicaid. To that end, prior to initiating the
33 project, the department and the authority shall assure that state
34 expenditures shall be no greater on either a per person or total basis
35 than the state would otherwise incur. Individuals who are solely
36 eligible for medicaid may also participate if their participation is
37 agreed to by the health care authority, the department, and the county
38 legislative authority.

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

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

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

31 (b) To the extent that transfers under (a) of this subsection are
32 insufficient to fund actual expenditures in excess of fiscal year 2012
33 caseload forecasts and utilization assumptions in the long-term care,
34 foster care, adoptions support, medicaid personal care, and child
35 support programs, the department may transfer state moneys that are
36 provided solely for a specified purpose. The department shall not
37 transfer funds, and the director of financial management shall not
38 approve the transfer, unless the transfer is consistent with the

1 objective of conserving, to the maximum extent possible, the
2 expenditure of state funds. The director of financial management shall
3 notify the appropriate fiscal committees of the senate and house of
4 representatives in writing seven days prior to approving any allotment
5 modifications or transfers under this subsection. The written
6 notification shall include a narrative explanation and justification of
7 the changes, along with expenditures and allotments by budget unit and
8 appropriation, both before and after any allotment modifications or
9 transfers.

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

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

14	General Fund--State Appropriation (FY 2012)	((\$295,011,000))
15		<u>\$287,014,000</u>
16	General Fund--State Appropriation (FY 2013)	((\$294,232,000))
17		<u>\$285,018,000</u>
18	General Fund--Federal Appropriation	((\$487,912,000))
19		<u>\$479,315,000</u>
20	General Fund--Private/Local Appropriation	((\$1,358,000))
21		<u>\$1,354,000</u>
22	Home Security Fund--State Appropriation	\$10,741,000
23	Domestic Violence Prevention Account--State	
24	Appropriation	((\$1,154,000))
25		<u>\$1,240,000</u>
26	Education Legacy Trust Account--State Appropriation	\$725,000
27	TOTAL APPROPRIATION	((\$1,091,133,000))
28		<u>\$1,065,407,000</u>

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

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

36 (2) \$668,000 of the general fund--state appropriation for fiscal
37 year 2012 and \$668,000 of the general fund--state appropriation for

1 fiscal year 2013 are provided solely to contract for the operation of
2 one pediatric interim care center. The center shall provide
3 residential care for up to thirteen children through two years of age.
4 Seventy-five percent of the children served by the center must be in
5 need of special care as a result of substance abuse by their mothers.
6 The center shall also provide on-site training to biological, adoptive,
7 or foster parents. The center shall provide at least three months of
8 consultation and support to the parents accepting placement of children
9 from the center. The center may recruit new and current foster and
10 adoptive parents for infants served by the center. The department
11 shall not require case management as a condition of the contract. The
12 department shall collaborate with the pediatric interim care center to
13 determine if and how the center could be appropriately incorporated
14 into the performance-based contract model and report its findings to
15 the legislature by December 1, 2012.

16 (3)(a) (~~(\$85,202,000)~~) \$80,887,000 of the general fund--state
17 appropriation for fiscal year 2012, (~~(\$85,408,000)~~) \$81,067,000 of the
18 general fund--state appropriation for fiscal year 2013, and
19 (~~(\$79,279,000)~~) \$74,800,000 of the general fund--federal appropriation
20 are provided solely for services for children and families (~~(subject to~~
21 ~~RCW 74.13.360 and House Bill No. 2122 (child welfare). Prior to~~
22 ~~approval of contract services pursuant to RCW 74.13.360 and House Bill~~
23 ~~No. 2122,)).~~ The amounts provided in this section shall be allotted on
24 a monthly basis and expenditures shall not exceed allotments based on
25 a three month rolling average without approval of the office of
26 financial management following notification to the legislative fiscal
27 committees.

28 (b) The department shall use (~~(performance-based contracts to~~
29 ~~provide))~~ these services to safely reduce the number of children in
30 out-of-home care, safely reduce the time spent in out-of-home care
31 prior to achieving permanency, and safely reduce the number of children
32 returning to out-of-home care following permanency. The department
33 shall provide an initial report to the legislature and the governor by
34 January 15, 2012, regarding the start-up costs associated with
35 performance-based contracts under RCW 74.13.360 (~~(and House Bill No.~~
36 ~~2122 (child welfare))~~)).

37 (c) Of the amounts provided in (a) of this subsection, \$579,000 of

1 the general fund--state appropriation for fiscal year 2013 and \$109,000
2 of the general fund--federal appropriation are provided solely for a
3 receiving care center east of the Cascade mountains.

4 (4) \$176,000 of the general fund--state appropriation for fiscal
5 year 2012, \$177,000 of the general fund--state appropriation for fiscal
6 year 2013, \$656,000 of the general fund--private/local appropriation,
7 \$253,000 of the general fund--federal appropriation, and \$725,000 of
8 the education legacy trust account--state appropriation are provided
9 solely for children's administration to contract with an educational
10 advocacy provider with expertise in foster care educational outreach.
11 The amounts in this subsection are provided solely for contracted
12 education coordinators to assist foster children in succeeding in K-12
13 and higher education systems and to assure a focus on education during
14 the transition to performance based contracts. Funding shall be
15 prioritized to regions with high numbers of foster care youth and/or
16 regions where backlogs of youth that have formerly requested
17 educational outreach services exist. The department shall utilize
18 private matching funds to maintain educational advocacy services.

19 (5) \$670,000 of the general fund--state appropriation for fiscal
20 year 2012 and \$670,000 of the general fund--state appropriation for
21 fiscal year 2013 are provided solely for services provided through
22 children's advocacy centers.

23 (6) To ensure expenditures remain within available funds
24 appropriated in this section as required by RCW 74.13A.005 and
25 74.13A.020, the secretary shall not set the amount of any adoption
26 assistance payment or payments, made pursuant to RCW 26.33.320 and
27 74.13A.005 through 74.13A.080, to more than ninety percent of the
28 foster care maintenance payment for that child had he or she remained
29 in a foster family home during the same period. This subsection does
30 not apply to adoption assistance agreements in existence on the
31 effective date of this section.

32 (7) \$10,741,000 of the home security fund--state appropriation is
33 provided solely for the department to contract for services pursuant to
34 RCW 13.32A.030 and 74.15.220. The department shall contract and
35 collaborate with service providers in a manner that maintains the
36 availability and geographic representation of secure and semi-secure
37 crisis residential centers and HOPE centers. To achieve efficiencies
38 and increase utilization, the department shall allow the co-location of

1 these centers, except that a youth may not be placed in a secure
2 facility or the secure portion of a co-located facility except as
3 specifically authorized by chapter 13.32A RCW. The reductions to
4 appropriations in this subsection related to semi-secure crisis
5 residential centers reflect a reduction to the number of beds for semi-
6 secure crisis residential centers and not a reduction in rates. Any
7 secure crisis residential center or semi-secure crisis residential
8 center bed reduction shall not be based solely upon bed utilization.
9 The department is to exercise its discretion in reducing the number of
10 beds but to do so in a manner that maintains availability and
11 geographic representation of semi-secure and secure crisis residential
12 centers.

13 (8) \$47,000 of the general fund--state appropriation for fiscal
14 year 2012, \$14,000 of the general fund--state appropriation for fiscal
15 year 2013, and \$40,000 of the general fund--federal appropriation are
16 provided solely to implement Substitute House Bill No. 1697 (dependency
17 system). If the bill is not enacted by June 30, 2011, the amounts
18 provided in this subsection shall lapse.

19 (9) \$564,000 of the general fund--federal appropriation is provided
20 solely to implement Second Substitute House Bill No. 1128 (extended
21 foster care). If the bill is not enacted by June 30, 2011, the amount
22 provided in this subsection shall lapse.

23 (10) \$799,000 of the general fund--state appropriation for fiscal
24 year 2013 and \$799,000 of the general fund--federal appropriation are
25 provided solely for the implementation of Engrossed Second Substitute
26 House Bill No. 2264 (child welfare/contracting). If the bill is not
27 enacted by June 30, 2012, the amounts provided in this subsection shall
28 lapse.

29 (11) \$178,000 of the general fund--federal appropriation is
30 provided solely for the implementation of Engrossed Second Substitute
31 House Bill No. 2592 (extended foster care). If the bill is not enacted
32 by June 30, 2012, the amount provided in this subsection shall lapse.

33 (12) \$616,000 of the general fund--state appropriation for fiscal
34 year 2013 and \$616,000 of the general fund--federal appropriation are
35 provided solely for the implementation of Engrossed Substitute Senate
36 Bill No. 6555 (child protective services). If the bill is not enacted
37 by June 30, 2012, the amounts provided in this subsection shall lapse.

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

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

5	General Fund--State Appropriation (FY 2012)	((\$86,684,000))
6		<u>\$85,723,000</u>
7	General Fund--State Appropriation (FY 2013)	((\$86,505,000))
8		<u>\$85,258,000</u>
9	General Fund--Federal Appropriation	((\$3,758,000))
10		<u>\$3,809,000</u>
11	General Fund--Private/Local Appropriation	\$1,903,000
12	Washington Auto Theft Prevention Authority Account--	
13	State Appropriation	\$196,000
14	Juvenile Accountability Incentive Account--Federal	
15	Appropriation	\$2,801,000
16	TOTAL APPROPRIATION	((\$181,847,000))
17		<u>\$179,690,000</u>

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

20 (1) \$331,000 of the general fund--state appropriation for fiscal
21 year 2012 and \$331,000 of the general fund--state appropriation for
22 fiscal year 2013 are provided solely for deposit in the county criminal
23 justice assistance account for costs to the criminal justice system
24 associated with the implementation of chapter 338, Laws of 1997
25 (juvenile code revisions). The amounts provided in this subsection are
26 intended to provide funding for county adult court costs associated
27 with the implementation of chapter 338, Laws of 1997 and shall be
28 distributed in accordance with RCW 82.14.310.

29 (2) \$2,716,000 of the general fund--state appropriation for fiscal
30 year 2012 and \$2,716,000 of the general fund--state appropriation for
31 fiscal year 2013 are provided solely for the implementation of chapter
32 338, Laws of 1997 (juvenile code revisions). The amounts provided in
33 this subsection are intended to provide funding for county impacts
34 associated with the implementation of chapter 338, Laws of 1997 and
35 shall be distributed to counties as prescribed in the current
36 consolidated juvenile services (CJS) formula.

37 (3) \$3,482,000 of the general fund--state appropriation for fiscal
38 year 2012 and \$3,482,000 of the general fund--state appropriation for

1 fiscal year 2013 are provided solely to implement community juvenile
2 accountability grants pursuant to chapter 338, Laws of 1997 (juvenile
3 code revisions). Funds provided in this subsection may be used solely
4 for community juvenile accountability grants, administration of the
5 grants, and evaluations of programs funded by the grants.

6 (4) \$1,130,000 of the general fund--state appropriation for fiscal
7 year 2012 and \$1,130,000 of the general fund--state appropriation for
8 fiscal year 2013 are provided solely to implement alcohol and substance
9 abuse treatment programs for locally committed offenders. The juvenile
10 rehabilitation administration shall award these moneys on a competitive
11 basis to counties that submitted a plan for the provision of services
12 approved by the division of alcohol and substance abuse. The juvenile
13 rehabilitation administration shall develop criteria for evaluation of
14 plans submitted and a timeline for awarding funding and shall assist
15 counties in creating and submitting plans for evaluation.

16 (5) \$3,123,000 of the general fund--state appropriation for fiscal
17 year 2012 and \$3,123,000 of the general fund--state appropriation for
18 fiscal year 2013 are provided solely for grants to county juvenile
19 courts for the following programs identified by the Washington state
20 institute for public policy (institute) in its October 2006 report:
21 "Evidence-Based Public Policy Options to Reduce Future Prison
22 Construction, Criminal Justice Costs and Crime Rates": Functional
23 family therapy, multi-systemic therapy, aggression replacement training
24 and interagency coordination programs, or other programs with a
25 positive benefit-cost finding in the institute's report. County
26 juvenile courts shall apply to the juvenile rehabilitation
27 administration for funding for program-specific participation and the
28 administration shall provide grants to the courts consistent with the
29 per-participant treatment costs identified by the institute.

30 (6) \$1,537,000 of the general fund--state appropriation for fiscal
31 year 2012 and \$1,537,000 of the general fund--state appropriation for
32 fiscal year 2013 are provided solely for expansion of the following
33 treatments and therapies in juvenile rehabilitation administration
34 programs identified by the Washington state institute for public policy
35 in its October 2006 report: "Evidence-Based Public Policy Options to
36 Reduce Future Prison Construction, Criminal Justice Costs and Crime
37 Rates": Multidimensional treatment foster care, family integrated
38 transitions, and aggression replacement training, or other programs

1 with a positive benefit-cost finding in the institute's report. The
2 administration may concentrate delivery of these treatments and
3 therapies at a limited number of programs to deliver the treatments in
4 a cost-effective manner.

5 (7)(a) The juvenile rehabilitation administration shall administer
6 a block grant, rather than categorical funding, of consolidated
7 juvenile service funds, community juvenile accountability act grants,
8 the chemical dependency disposition alternative funds, the mental
9 health disposition alternative, and the sentencing disposition
10 alternative for the purpose of serving youth adjudicated in the
11 juvenile justice system. In making the block grant, the juvenile
12 rehabilitation administration shall follow the following formula and
13 will prioritize evidence-based programs and disposition alternatives
14 and take into account juvenile courts program-eligible youth in
15 conjunction with the number of youth served in each approved evidence-
16 based program or disposition alternative: (i) Thirty-seven and one-
17 half percent for the at-risk population of youth ten to seventeen years
18 old; (ii) fifteen percent for moderate and high-risk youth; (iii)
19 twenty-five percent for evidence-based program participation; (iv)
20 seventeen and one-half percent for minority populations; (v) three
21 percent for the chemical dependency disposition alternative; and (vi)
22 two percent for the mental health and sentencing dispositional
23 alternatives. Funding for the special sex offender disposition
24 alternative (SSODA) shall not be included in the block grant, but
25 allocated on the average daily population in juvenile courts. Funding
26 for the evidence-based expansion grants shall be excluded from the
27 block grant formula. Funds may be used for promising practices when
28 approved by the juvenile rehabilitation administration and juvenile
29 courts, through the community juvenile accountability act committee,
30 based on the criteria established in consultation with Washington state
31 institute for public policy and the juvenile courts.

32 (b) The juvenile rehabilitation administration shall phase the
33 implementation of the formula provided in subsection (1) of this
34 section by including a stop-loss formula of five percent in fiscal year
35 2012 and five percent in fiscal year 2013.

36 (c) The juvenile rehabilitation administration and the juvenile
37 courts shall establish a block grant funding formula oversight
38 committee with equal representation from the juvenile rehabilitation

1 administration and the juvenile courts. The purpose of this committee
2 is to assess the ongoing implementation of the block grant funding
3 formula, utilizing data-driven decision making and the most current
4 available information. The committee will be cochaired by the juvenile
5 rehabilitation administration and the juvenile courts, who will also
6 have the ability to change members of the committee as needed to
7 achieve its purpose. Initial members will include one juvenile court
8 representative from the finance committee, the community juvenile
9 accountability act committee, the risk assessment quality assurance
10 committee, the executive board of the Washington association of
11 juvenile court administrators, the Washington state center for court
12 research, and a representative of the superior court judges
13 association; two representatives from the juvenile rehabilitation
14 administration headquarters program oversight staff, two
15 representatives of the juvenile rehabilitation administration regional
16 office staff, one representative of the juvenile rehabilitation
17 administration fiscal staff and a juvenile rehabilitation
18 administration division director. The committee may make changes to
19 the formula categories other than the evidence-based program and
20 disposition alternative categories if it is determined the changes will
21 increase statewide service delivery or effectiveness of evidence-based
22 program or disposition alternative resulting in increased cost benefit
23 savings to the state. Long-term cost benefit must be considered.
24 Percentage changes may occur in the evidence-based program or
25 disposition alternative categories of the formula should it be
26 determined the changes will increase evidence-based program or
27 disposition alternative delivery and increase the cost benefit to the
28 state. These outcomes will also be considered in determining when
29 evidence-based expansion or special sex offender disposition
30 alternative funds should be included in the block grant or left
31 separate.

32 (d) The juvenile courts and administrative office of the courts
33 shall be responsible for collecting and distributing information and
34 providing access to the data systems to the juvenile rehabilitation
35 administration and the Washington state institute for public policy
36 related to program and outcome data. The juvenile rehabilitation
37 administration and the juvenile courts will work collaboratively to

1 develop program outcomes that reinforce the greatest cost benefit to
2 the state in the implementation of evidence-based practices and
3 disposition alternatives.

4 (8) The juvenile courts and administrative office of the courts
5 shall collect and distribute information related to program outcome and
6 provide access to these data systems to the juvenile rehabilitation
7 administration and Washington state institute for public policy.
8 Consistent with chapter 13.50 RCW, all confidentiality agreements
9 necessary to implement this information-sharing shall be approved
10 within 30 days of the effective date of this section. The agreements
11 between administrative office of the courts, the juvenile courts, and
12 the juvenile rehabilitation administration shall be executed to ensure
13 that the juvenile rehabilitation administration receives the data that
14 the juvenile rehabilitation administration identifies as needed to
15 comply with this subsection. This includes, but is not limited to,
16 information by program at the statewide aggregate level, individual
17 court level, and individual client level for the purpose of the
18 juvenile rehabilitation administration providing quality assurance and
19 oversight for the locally committed youth block grant and associated
20 funds and at times as specified by the juvenile rehabilitation
21 administration as necessary to carry out these functions. The data
22 shall be provided in a manner that reflects the collaborative work the
23 juvenile rehabilitation administration and juvenile courts have
24 developed regarding program outcomes that reinforce the greatest cost
25 benefit to the state in the implementation of evidence-based practices
26 and disposition alternatives.

27 (9) The Washington association of juvenile court administrators and
28 the juvenile rehabilitation administration, in consultation with the
29 community juvenile accountability act advisory committee and the
30 Washington state institute for public policy, shall analyze and review
31 data elements available from the administrative office of the courts
32 for possible integration into the evidence-based program quality
33 assurance plans and processes. The administrative office of the
34 courts, the Washington association of juvenile court administrators,
35 and the juvenile rehabilitation administration shall provide
36 information necessary to complete the review and analysis. The
37 Washington association of juvenile court administrators and the

1 juvenile rehabilitation administration shall report the findings of
2 their review and analysis, as well as any recommendations, to the
3 legislature by December 1, 2012.

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

6 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH**
7 **PROGRAM**

8 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

9 General Fund--State Appropriation (FY 2012)	((\$317,392,000))
	<u>\$317,734,000</u>
11 General Fund--State Appropriation (FY 2013)	((\$322,982,000))
12	<u>\$324,319,000</u>
13 General Fund--Federal Appropriation	((\$448,732,000))
14	<u>\$449,593,000</u>
15 General Fund--Private/Local Appropriation	\$17,864,000
16 Hospital Safety Net Assessment Fund--State	
17 Appropriation	((\$6,802,000))
18	<u>\$5,251,000</u>
19 TOTAL APPROPRIATION	((\$1,113,772,000))
20	<u>\$1,114,761,000</u>

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

23 (a) \$109,342,000 of the general fund--state appropriation for
24 fiscal year 2012 and \$109,341,000 of the general fund--state
25 appropriation for fiscal year 2013 are provided solely for persons and
26 services not covered by the medicaid program. This is a reduction of
27 \$4,348,000 each fiscal year from the nonmedicaid funding that was
28 allocated for expenditure by regional support networks during fiscal
29 year 2011 prior to supplemental budget reductions. This \$4,348,000
30 reduction shall be distributed among regional support networks
31 proportional to each network's share of the total state population. To
32 the extent possible, levels of regional support network spending shall
33 be maintained in the following priority order: (i) Crisis and
34 commitment services; (ii) community inpatient services; and (iii)
35 residential care services, including personal care and emergency
36 housing assistance.

1 (b) \$6,590,000 of the general fund--state appropriation for fiscal
2 year 2012, \$6,590,000 of the general fund--state appropriation for
3 fiscal year 2013, and \$7,620,000 of the general fund--federal
4 appropriation are provided solely for the department and regional
5 support networks to continue to contract for implementation of high-
6 intensity programs for assertive community treatment (PACT) teams. In
7 determining the proportion of medicaid and nonmedicaid funding provided
8 to regional support networks with PACT teams, the department shall
9 consider the differences between regional support networks in the
10 percentages of services and other costs associated with the teams that
11 are not reimbursable under medicaid. The department may allow regional
12 support networks which have nonmedicaid reimbursable costs that are
13 higher than the nonmedicaid allocation they receive under this section
14 to supplement these funds with local dollars or funds received under
15 section 204(1)(a) of this act. The department and regional support
16 networks shall maintain consistency with all essential elements of the
17 PACT evidence-based practice model in programs funded under this
18 section.

19 (c) \$5,850,000 of the general fund--state appropriation for fiscal
20 year 2012, \$5,850,000 of the general fund--state appropriation for
21 fiscal year 2013, and \$1,300,000 of the general fund--federal
22 appropriation are provided solely for the western Washington regional
23 support networks to provide either community- or hospital campus-based
24 services for persons who require the level of care previously provided
25 by the program for adaptive living skills (PALS) at western state
26 hospital.

27 (d) The number of nonforensic beds allocated for use by regional
28 support networks at eastern state hospital shall be 192 per day. The
29 number of nonforensic beds allocated for use by regional support
30 networks at western state hospital shall be 557 per day.

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

37 (f) \$4,582,000 of the general fund--state appropriation for fiscal
38 year 2012 and \$4,582,000 of the general fund--state appropriation for

1 fiscal year 2013 are provided solely for mental health services for
2 mentally ill offenders while confined in a county or city jail and for
3 facilitating access to programs that offer mental health services upon
4 release from confinement. Beginning in fiscal year 2013, the
5 department shall report regional outcome data on individuals in jail
6 who are referred for regional support network services. By December 1,
7 2012, the department shall provide a report to the relevant fiscal and
8 policy committees of the legislature on the number of individuals
9 referred to the program who had an evaluation for regional support
10 network services either during incarceration or within 30 and 60 days
11 of release from jail; and the number who were made newly eligible or
12 reinstated to eligibility for medical assistance services either during
13 incarceration or within 30 and 60 days of release from jail. In
14 addition, the report shall identify how many of the individuals who
15 were determined to be eligible for regional support network services
16 received additional outpatient services within 30 and 60 days of
17 release from incarceration.

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

21 (h) \$750,000 of the general fund--state appropriation for fiscal
22 year 2012 and \$750,000 of the general fund--state appropriation for
23 fiscal year 2013 are provided solely to continue performance-based
24 incentive contracts to provide appropriate community support services
25 for individuals with severe mental illness who were discharged from the
26 state hospitals as part of the expanding community services initiative.
27 These funds will be used to enhance community residential and support
28 services provided by regional support networks through other state and
29 federal funding.

30 (i) \$1,125,000 of the general fund--state appropriation for fiscal
31 year 2012 and \$1,125,000 of the general fund--state appropriation for
32 fiscal year 2013 are provided solely for the Spokane regional support
33 network to implement services to reduce utilization and the census at
34 eastern state hospital. Such services shall include:

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

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

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

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

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

12 (j) \$1,529,000 of the general fund--state appropriation for fiscal
13 year 2012 and \$1,529,000 of the general fund--state appropriation for
14 fiscal year 2013 are provided solely to reimburse Pierce and Spokane
15 counties for the cost of conducting 180-day commitment hearings at the
16 state psychiatric hospitals.

17 (k) Regional support networks may use local funds to earn
18 additional federal medicaid match, provided the locally matched rate
19 does not exceed the upper-bound of their federally allowable rate
20 range, and provided that the enhanced funding is used only to provide
21 medicaid state plan or waiver services to medicaid clients.
22 Additionally, regional support networks may use a portion of the state
23 funds allocated in accordance with (a) of this subsection to earn
24 additional medicaid match, but only to the extent that the application
25 of such funds to medicaid services does not diminish the level of
26 crisis and commitment, community inpatient, residential care, and
27 outpatient services presently available to persons not eligible for
28 medicaid.

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

35 (m) \$750,000 of the general fund--state appropriation for fiscal
36 year 2012, \$750,000 of the general fund--state appropriation for fiscal
37 year 2013, and \$1,500,000 of the general fund--federal appropriation
38 are provided solely to adjust regional support network capitation rates

1 to account for the per diem rates actually paid for psychiatric care
2 provided at hospitals participating in the certified public expenditure
3 program operated pursuant to section 213 of this act.

4 (n) The appropriations in this section reflect efficiencies to be
5 achieved through voluntary consolidation of regional support networks
6 in accordance with Substitute House Bill No. 2139 (regional support
7 networks). Voluntary consolidation of regional support networks is
8 expected to result in administrative efficiencies and maximize dollars
9 available for direct services to individuals with mental illnesses
10 without corresponding increases in state appropriations.

11 (2) INSTITUTIONAL SERVICES

12	General Fund--State Appropriation (FY 2012)	((\$115,317,000))
13		<u>\$115,017,000</u>
14	General Fund--State Appropriation (FY 2013)	((\$114,111,000))
15		<u>\$112,603,000</u>
16	General Fund--Federal Appropriation	((\$153,324,000))
17		<u>\$153,618,000</u>
18	General Fund--Private/Local Appropriation	\$67,325,000
19	TOTAL APPROPRIATION	((\$450,077,000))
20		<u>\$448,563,000</u>

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

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

26 (b) \$231,000 of the general fund--state appropriation for fiscal
27 year 2012 and \$231,000 of the general fund--state appropriation for
28 fiscal year 2013 are provided solely for a community partnership
29 between western state hospital and the city of Lakewood to support
30 community policing efforts in the Lakewood community surrounding
31 western state hospital. The amounts provided in this subsection (2)(b)
32 are for the salaries, benefits, supplies, and equipment for one full-
33 time investigator, one full-time police officer, and one full-time
34 community service officer at the city of Lakewood.

35 (c) \$45,000 of the general fund--state appropriation for fiscal
36 year 2012 and \$45,000 of the general fund--state appropriation for
37 fiscal year 2013 are provided solely for payment to the city of

1 Lakewood for police services provided by the city at western state
2 hospital and adjacent areas.

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

8 (e) The appropriations in this section reflect efficiencies to be
9 achieved through enactment of Substitute Senate Bill No. 6492
10 (competency to stand trial). These efficiencies are expected to enable
11 the hospitals to substantially increase the timeliness with which
12 evaluations of defendant competency to stand trial are completed, and
13 treatment to restore competency is initiated, without corresponding
14 increases in state appropriations.

15 (3) SPECIAL PROJECTS

16	General Fund--State Appropriation (FY 2012)	(\$1,168,000)
17		<u>\$1,148,000</u>
18	General Fund--State Appropriation (FY 2013)	(\$1,164,000)
19		<u>\$1,276,000</u>
20	General Fund--Federal Appropriation	(\$4,109,000)
21		<u>\$4,198,000</u>
22	General Fund--Private/Local Appropriation	\$700,000
23	TOTAL APPROPRIATION	(\$7,141,000)
24		<u>\$7,322,000</u>

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

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

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

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

4 (c) \$135,000 of the general fund--state appropriation for fiscal
5 year 2013 and \$89,000 of the general fund--federal appropriation are
6 provided solely for the department to contract with the University of
7 Washington's evidence-based practice institute and the Washington state
8 institute for public policy to consult with the department and the
9 health care authority on the implementation of Engrossed Second
10 Substitute House Bill No. 2536 (children services/delivery). The
11 department's programs responsible for administration of mental health,
12 child welfare, and juvenile justice programs will coordinate with the
13 health care authority on the development of contract terms which
14 facilitate efforts to meet requirements of the bill. If Engrossed
15 Second Substitute House Bill No. 2536 (children services/delivery) is
16 not enacted by June 30, 2012, the amounts provided in this subsection
17 shall lapse.

18 (4) PROGRAM SUPPORT

19	General Fund--State Appropriation (FY 2012)	(((\$4,476,000))
20		\$4,482,000
21	General Fund--State Appropriation (FY 2013)	(((\$4,261,000))
22		\$4,247,000
23	General Fund--Federal Appropriation	(((\$7,227,000))
24		\$7,210,000
25	General Fund--Private/Local Appropriation	\$446,000
26	TOTAL APPROPRIATION	(((\$16,410,000))
27		\$16,385,000

28 (a) The appropriations in this subsection are subject to the
29 following conditions and limitations: In accordance with RCW
30 43.20B.110, 43.135.055, and 71.24.035, the department is authorized to
31 increase license and certification fees in fiscal years 2012 and 2013
32 to support the costs of the regulatory program. The fee schedule
33 increases must be developed so that the maximum amount of additional
34 fees paid by providers statewide in the 2011-2013 fiscal biennium is
35 \$446,000. The department's fee schedule shall have differential rates
36 for providers with proof of accreditation from organizations that the
37 department has determined to have substantially equivalent standards to
38 those of the department, including but not limited to the joint

1 commission on accreditation of health care organizations, the
 2 commission on accreditation of rehabilitation facilities, and the
 3 council on accreditation. To reflect the reduced costs associated with
 4 regulation of accredited programs, the department's fees for
 5 organizations with such proof of accreditation must reflect the lower
 6 costs of licensing for these programs than for other organizations
 7 which are not accredited.

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

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

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

22 (1) COMMUNITY SERVICES

23	General Fund--State Appropriation (FY 2012)	((\$418,815,000))
24		<u>\$405,412,000</u>
25	General Fund--State Appropriation (FY 2013)	((\$422,854,000))
26		<u>\$420,327,000</u>
27	General Fund--Federal Appropriation	((\$743,532,000))
28		<u>\$752,059,000</u>
29	General Fund--Private/Local Appropriation	\$184,000
30	TOTAL APPROPRIATION	((\$1,585,385,000))
31		<u>\$1,577,982,000</u>

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

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

1 (b) Amounts appropriated in this subsection reflect a reduction to
2 funds appropriated for in-home care. The department shall reduce the
3 number of in-home hours authorized. The reduction shall be scaled
4 based on the acuity level of care recipients. The largest hour
5 reductions shall be to lower acuity patients and the smallest hour
6 reductions shall be to higher acuity patients.

7 (c) Amounts appropriated in this subsection are sufficient to
8 develop and implement the use of a consistent, statewide outcome-based
9 vendor contract for employment and day services by July 1, 2012. The
10 rates paid to vendors under this contract shall also be made
11 consistent. In its description of activities the agency shall include
12 activity listings and dollars appropriated for: Employment services,
13 day services, child development services and county administration of
14 services to the developmentally disabled. The department shall begin
15 reporting to the office of financial management on these activities
16 beginning in fiscal year 2010.

17 (d) \$944,000 of the general fund--state appropriation for fiscal
18 year 2012, \$944,000 of the general fund--state appropriation for fiscal
19 year 2013, and \$1,888,000 of the general fund--federal appropriation
20 are provided solely for state contributions for individual provider
21 health care benefits. Pursuant to the collective bargaining agreement
22 negotiated with the exclusive bargaining representative of individual
23 providers established under RCW 74.39A.270, the state shall contribute
24 to the multiemployer health benefits trust fund ((~~\$1.96~~)) \$2.21 per
25 paid hour worked by individual providers.

26 ~~(e) ((\$1,871,000 of the general fund--state appropriation for~~
27 ~~fiscal year 2012, \$1,995,000 of the general fund--state appropriation~~
28 ~~for fiscal year 2013, and \$3,865,000 of the general fund--federal~~
29 ~~appropriation are provided solely for home care agencies to purchase~~
30 ~~health coverage for home care providers. The department shall~~
31 ~~calculate and distribute payments for health care benefits to home care~~
32 ~~agencies at \$558 per month for each worker who cares for publicly~~
33 ~~funded clients at 86 hours or more per month. In order to negotiate~~
34 ~~the most comprehensive health benefits package for its employees, each~~
35 ~~agency may determine benefit levels according to the hours an employee~~
36 ~~works providing state-funded personal care. Health benefits shall be~~
37 ~~offered to all employees who care for publicly funded clients for 86~~
38 ~~hours per month or more. At a minimum, employees who care for publicly~~

1 funded clients at 140 hours a month or greater must receive a
2 comprehensive medical benefit. Benefits shall not be provided to
3 employees who care for publicly funded clients at 85 hours or less per
4 month or as interim respite workers. The department shall not pay an
5 agency for benefits provided to an employee who otherwise receives
6 health care coverage through other family members, other
7 employment based coverage, or military or veteran's coverage. The
8 department shall require annually, each home care agency to review each
9 of its employee's available health coverage and to provide a written
10 declaration to the department verifying that health benefits purchased
11 with public funds are solely for employees that do not have other
12 available coverage. Home care agencies may determine a reasonable
13 employee co-premium not to exceed 20 percent of the total benefit cost.

14 ~~(f) — \$1,127,000))~~ \$1,329,000 of the general fund--state
15 appropriation for fiscal year 2012, ~~((\$1,199,000))~~ \$1,622,000 of the
16 general fund--state appropriation for fiscal year 2013, and
17 ~~((\$2,322,000))~~ \$2,947,000 of the general fund--federal appropriation
18 are provided solely for the state's contribution to the training
19 partnership, as provided in RCW 74.39A.360, for instructional costs
20 associated with the training of individual providers. ~~((House Bill No.
21 1548 and Senate Bill No. 5473 (long term care worker requirements) make
22 statutory changes to the increased training requirements and therefore
23 the state shall contribute to the partnership \$0.17 per paid hour
24 worked by all home care workers. This amount is pursuant to the
25 collective bargaining agreement negotiated with the exclusive
26 bargaining representative of individual providers established under RCW
27 74.39A.270.))~~ Contributions are funded at \$0.22 per benefit-eligible
28 paid hour worked by all home care workers. Expenditures for the
29 purposes specified in this subsection shall not exceed the amounts
30 provided in this subsection. However, if the governor and the service
31 employees international union healthcare 775nw can reach agreement on
32 repurposing funding that is currently provided in the individual
33 provider collective bargaining agreement for new individual provider
34 wages paid during training or other training related items, then
35 expenditures for training trust contributions for individual providers
36 may include the amounts provided in this subsection and the agreed upon
37 repurposed funding. Funding in this section for purposes other than
38 the individual provider collective bargaining agreement cannot be used

1 for the purposes of this subsection (1)(e). It is the intent of the
2 legislature that the funding provided in this subsection, including any
3 repurposed funding, is sufficient to cover the costs of individual
4 provider training and therefore tuition or other entrance fees are not
5 necessary.

6 (f) \$104,669,000 of the general fund--state appropriation for
7 fiscal year 2013 and \$104,669,000 of the general fund--federal
8 appropriation are provided solely for the department to provide
9 personal care services to waiver and nonwaiver in-home clients. The
10 department shall provide the legislature with a report by December 5,
11 2012, on the feasibility of converting the medicaid personal care
12 program for in-home adults to a medicaid program as found in section
13 1915(i) of the federal social security act that utilizes the option for
14 self-direction of individualized budgets. The department shall operate
15 the personal care program within the amounts specifically provided.

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

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

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

6 (h) \$75,000 of the general fund--state appropriation for fiscal
7 year 2012 and \$75,000 of the general fund--state appropriation for
8 fiscal year 2013 are provided solely for the restoration of direct
9 support to local organizations that utilize parent-to-parent networks
10 and communication to promote access and quality of care for individuals
11 with developmental disabilities and their families.

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

16 (i) The current annual renewal license fee for adult family homes
17 shall be increased to \$100 per bed beginning in fiscal year 2012 and
18 \$175 per bed beginning in fiscal year 2013. Adult family homes shall
19 receive a corresponding vendor rate increase per medicaid patient day
20 of \$0.22 in fiscal year 2012 and \$0.43 in fiscal year 2013 (~~(to cover~~
21 ~~the cost of the license fee increase for publicly funded beds)~~), or the
22 amount necessary to fully fund the license fee increase for publicly
23 funded beds, pursuant to the most recent bed estimates maintained by
24 the department.

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

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

37 The department shall work with legislators and stakeholders to
38 develop a new approach to employment and day services. The objective

1 of this plan is to ensure that adults with developmental disabilities
2 have optimum choices, and that employment and day offerings are
3 comprehensive enough to meet the needs of all clients currently served
4 on a home and community based waiver. The proposal shall be submitted
5 to the 2012 legislature for consideration and shall be constructed such
6 that a client ultimately receives employment, community access, or the
7 community day option but not more than one service at a time. The
8 proposal shall include options for program efficiencies within the
9 current employment and day structure and shall provide details on the
10 plan to implement a consistent, statewide outcome-based vendor contract
11 for employment and day services as specified in (c) of this subsection.

12 (2) INSTITUTIONAL SERVICES

13	General Fund--State Appropriation (FY 2012)	((\$80,815,000))
14		<u>\$75,436,000</u>
15	General Fund--State Appropriation (FY 2013)	((\$79,939,000))
16		<u>\$80,356,000</u>
17	General Fund--Federal Appropriation	((\$154,388,000))
18		<u>\$153,570,000</u>
19	General Fund--Private/Local Appropriation	\$22,043,000
20	TOTAL APPROPRIATION	((\$337,185,000))
21		<u>\$331,405,000</u>

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

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

28 (b) \$721,000 of the general fund--state appropriation for fiscal
29 year 2012 and \$721,000 of the general fund--state appropriation for
30 fiscal year 2013 are for the department to fulfill its contracts with
31 the school districts under chapter 28A.190 RCW to provide
32 transportation, building space, and other support services as are
33 reasonably necessary to support the educational programs of students
34 living in residential habilitation centers.

35 (c) \$250,000 of the general fund--state appropriation for fiscal
36 year 2013 is provided solely for allocation under contract to a school
37 district in which a residential habilitation center (RHC) is located.
38 The department must provide the school district with an allocation of

1 \$25,000 for each person under the age of 21 who between July 1, 2011,
2 and June 30, 2013, is newly admitted to the RHC and newly enrolled in
3 the district in which the RHC is located. The purpose of the
4 allocation is to provide supplemental funding for robust supports and
5 extraordinary costs for students who are newly admitted to the RHC and
6 may be experiencing distress while transitioning to a new school
7 environment.

8 (d) \$600,000 of the general fund--state appropriation for fiscal
9 year 2013 is provided solely for operations of the Rainier school
10 vision development committee, hereby established to create a long-range
11 vision and development plan for the Rainier school.

12 (i) The committee shall consist of:

13 (A) Three members of the legislature representing the thirty-first
14 legislative district;

15 (B) Two persons representing the cities of Enumclaw and Buckley;

16 (C) Two persons representing the chambers of commerce of the cities
17 of Enumclaw and Buckley;

18 (D) Two persons representing the friends of Rainier school
19 organization; and

20 (E) One person representing the Pierce county developmental
21 disabilities board.

22 (ii) The committee shall create and submit to the legislature a
23 long-range community vision and development plan for the efficient use
24 of the Rainier school facility to best serve the needs of persons with
25 developmental disabilities, including the establishment of a respite
26 care center for families and other caregivers of persons with
27 developmental disabilities.

28 (3) PROGRAM SUPPORT

29	General Fund--State Appropriation (FY 2012)	(((\$1,380,000))
30		<u>\$1,382,000</u>
31	General Fund--State Appropriation (FY 2013)	(((\$1,371,000))
32		<u>\$1,366,000</u>
33	General Fund--Federal Appropriation	(((\$1,323,000))
34		<u>\$1,319,000</u>
35	TOTAL APPROPRIATION	(((\$4,074,000))
36		<u>\$4,067,000</u>

37 (4) SPECIAL PROJECTS

38	General Fund--State Appropriation (FY 2012)	(((\$4,648,000))
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1		<u>\$4,634,000</u>
2	General Fund--State Appropriation (FY 2013)	((\$4,637,000))
3		<u>\$4,553,000</u>
4	General Fund--Federal Appropriation	((\$9,575,000))
5		<u>\$9,588,000</u>
6	General Fund--Private/Local Appropriation	\$998,000
7	TOTAL APPROPRIATION	((\$19,858,000))
8		<u>\$19,773,000</u>

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

11 Amounts appropriated in this subsection are for the purposes of
12 transitioning clients with developmental disabilities into community
13 settings. The department is authorized as needed to use these funds to
14 either pay for clients residing within a residential habilitation
15 center or for placements in the community. Pursuant to Second
16 Substitute Senate Bill No. 5459 (services for people with developmental
17 disabilities), funding in this subsection must be prioritized for the
18 purpose of facilitating the consolidation and closure of Frances Haddon
19 Morgan Center. The department shall use a person-centered approach in
20 developing the discharge plan to assess each resident's needs and
21 identify services the resident requires to successfully transition to
22 the community or another residential habilitation center. The
23 department is authorized to use any savings from this effort for the
24 purpose of developing community resources to address the needs of
25 clients with developmental disabilities who are in crisis or in need of
26 respite. The department shall track the costs and savings of closing
27 Frances Haddon Morgan Center and any investments into community
28 placements and resources. The department shall provide a fiscal
29 progress report to the legislature by December 5, 2011.

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

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

34	General Fund--State Appropriation (FY 2012)	((\$781,995,000))
35		<u>\$791,493,000</u>
36	General Fund--State Appropriation (FY 2013)	((\$804,465,000))
37		<u>\$809,338,000</u>

1	General Fund--Federal Appropriation	((\$1,680,450,000))
2		<u>\$1,690,993,000</u>
3	General Fund--Private/Local Appropriation	\$27,517,000
4	Traumatic Brain Injury Account--State Appropriation	\$3,388,000
5	Nursing Facility Quality Assurance Account--State	
6	Appropriation	((\$88,071,000))
7		<u>\$88,000,000</u>
8	TOTAL APPROPRIATION	((\$3,385,886,000))
9		<u>\$3,410,729,000</u>

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

12 (1) For purposes of implementing chapter 74.46 RCW, the weighted
13 average nursing facility payment rate shall not exceed \$170.37 for
14 fiscal year 2012 and shall not exceed \$171.43 for fiscal year 2013,
15 including the rate add-ons described in (a) and (b) of this subsection.
16 However, if the waiver requested from the federal centers for medicare
17 and medicaid services in relation to the safety net assessment created
18 by Engrossed Substitute Senate Bill No. 5581 (nursing home payments) is
19 for any reason not approved and implemented, the weighted average
20 nursing facility payment rate shall not exceed \$159.87 for fiscal year
21 2012 and shall not exceed \$160.93 for fiscal year 2013. There will be
22 no adjustments for economic trends and conditions in fiscal years 2012
23 and 2013. The economic trends and conditions factor or factors defined
24 in the biennial appropriations act shall not be compounded with the
25 economic trends and conditions factor or factors defined in any other
26 biennial appropriations acts before applying it to the component rate
27 allocations established in accordance with chapter 74.46 RCW. When no
28 economic trends and conditions factor for either fiscal year is defined
29 in a biennial appropriations act, no economic trends and conditions
30 factor or factors defined in any earlier biennial appropriations act
31 shall be applied solely or compounded to the component rate allocations
32 established in accordance with chapter 74.46 RCW.

33 (a) Within the funds provided, the department shall continue to
34 provide an add-on per medicaid resident day per facility not to exceed
35 \$1.57. The add-on shall be used to increase wages, benefits, and/or
36 staffing levels for certified nurse aides; or to increase wages and/or
37 benefits for dietary aides, housekeepers, laundry aides, or any other
38 category of worker whose statewide average dollars-per-hour wage was

1 less than \$15 in calendar year 2008, according to cost report data.
2 The add-on may also be used to address resulting wage compression for
3 related job classes immediately affected by wage increases to low-wage
4 workers. The department shall continue reporting requirements and a
5 settlement process to ensure that the funds are spent according to this
6 subsection.

7 (b) The department shall do a comparative analysis of the facility-
8 based payment rates calculated on July 1, ~~((2011))~~ 2012, using the
9 payment methodology defined in ~~((Engrossed Substitute Senate Bill No.
10 5581 (nursing home payments)))~~ chapter 74.46 RCW and as funded in the
11 omnibus appropriations act, excluding the comparative add-on, acuity
12 add-on, and safety net reimbursement, to the facility-based payment
13 rates in effect June 30, 2010. If the facility-based payment rate
14 calculated on July 1, ~~((2011))~~ 2012, is smaller than the facility-
15 based payment rate on June 30, 2010, then the difference shall be
16 provided to the individual nursing facilities as an add-on payment per
17 medicaid resident day.

18 (c) During the comparative analysis performed in subsection (b) of
19 this section, if it is found that the direct care rate for any facility
20 calculated using the payment methodology defined in ~~((Engrossed
21 Substitute Senate Bill No. 5581 (nursing home payments)))~~ chapter 74.46
22 RCW and as funded in the omnibus appropriations act, excluding the
23 comparative add-on, acuity add-on, and safety net reimbursement, is
24 greater than the direct care rate in effect on June 30, 2010, then the
25 facility shall receive a ten percent direct care rate add-on to
26 compensate that facility for taking on more acute clients than they
27 have in the past.

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

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

1 (2) After examining actual nursing facility cost information, the
2 legislature finds that the medicaid nursing facility rates calculated
3 pursuant to Engrossed Substitute Senate Bill No. 5581 (nursing home
4 payments) provide sufficient reimbursement to efficiently and
5 economically operating nursing facilities and bear a reasonable
6 relationship to costs.

7 (3) In accordance with chapter 74.46 RCW, the department shall
8 issue no additional certificates of capital authorization for fiscal
9 year 2012 and no new certificates of capital authorization for fiscal
10 year 2013 and shall grant no rate add-ons to payment rates for capital
11 improvements not requiring a certificate of need and a certificate of
12 capital authorization for fiscal years 2012 and 2013.

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

19 (5) Amounts appropriated in this section reflect a reduction to
20 funds appropriated for in-home care. The department shall reduce the
21 number of in-home hours authorized. The reduction shall be scaled
22 based on the acuity level of care recipients. The largest hour
23 reductions shall be to lower acuity patients and the smallest hour
24 reductions shall be to higher acuity patients.

25 (6) \$1,883,000 of the general fund--state appropriation for fiscal
26 year 2012, \$1,883,000 of the general fund--state appropriation for
27 fiscal year 2013, and \$3,766,000 of the general fund--federal
28 appropriation are provided solely for state contributions for
29 individual provider health care benefits. Pursuant to the collective
30 bargaining agreement negotiated with the exclusive bargaining
31 representative of individual providers established under RCW
32 74.39A.270, the state shall contribute to the multiemployer health
33 benefits trust fund (~~(\$1.96)~~) \$2.21 per paid hour worked by individual
34 providers.

35 (7) (~~(\$16,835,000 of the general fund--state appropriation for~~
36 ~~fiscal year 2012, \$17,952,000 of the general fund--state appropriation~~
37 ~~for fiscal year 2013, and \$34,786,000 of the general fund--federal~~
38 ~~appropriation are provided solely for home care agencies to purchase~~

1 health coverage for home care providers. The department shall
2 calculate and distribute payments for health care benefits to home care
3 agencies at \$558 per month for each worker who cares for publicly
4 funded clients at 86 hours or more per month. In order to negotiate
5 the most comprehensive health benefits package for its employees, each
6 agency may determine benefit levels according to the hours an employee
7 works providing state-funded personal care. Health benefits shall be
8 offered to all employees who care for publicly funded clients for 86
9 hours per month or more. At a minimum, employees who care for publicly
10 funded clients at 140 hours a month or greater must receive a
11 comprehensive medical benefit. Benefits shall not be provided to
12 employees who care for publicly funded clients at 85 hours or less per
13 month or as interim respite workers. The department shall not pay an
14 agency for benefits provided to an employee who otherwise receives
15 health care coverage through other family members, other
16 employment-based coverage, or military or veteran's coverage. The
17 department shall require annually, each home care agency to review each
18 of its employee's available health coverage and to provide a written
19 declaration to the department verifying that health benefits purchased
20 with public funds are solely for employees that do not have other
21 available coverage. Home care agencies may determine a reasonable
22 employee co-premium not to exceed 20 percent of the total benefit cost.

23 ~~(8) \$2,063,000))~~ \$2,449,000 of the general fund--state
24 appropriation for fiscal year 2012, ~~(((\$2,195,000))~~ \$3,012,000 of the
25 general fund--state appropriation for fiscal year 2013, and
26 ~~(((\$4,260,000))~~ \$5,463,000 of the general fund--federal appropriation
27 are provided solely for the state's contribution to the training
28 partnership, as provided in RCW 74.39A.360, for instructional costs
29 associated with the training of individual providers. ~~((House Bill No.
30 1548 and Senate Bill No. 5473 (long term care worker requirements) make
31 statutory changes to the increased training requirements and therefore
32 the state shall contribute to the partnership \$0.17 per paid hour
33 worked by all home care workers. This amount is pursuant to the
34 collective bargaining agreement negotiated with the exclusive
35 bargaining representative of individual providers established under RCW
36 74.39A.270.))~~ Contributions are funded at \$0.22 per benefit-eligible
37 paid hour worked by all home care workers. Expenditures for the
38 purposes specified in this subsection shall not exceed the amounts

1 provided in this subsection. However, if the governor and the service
2 employees international union healthcare 775nw can reach agreement on
3 repurposing funding that is currently provided in the individual
4 provider collective bargaining agreement for new individual provider
5 wages paid during training or other training related items, then
6 expenditures for training trust contributions for individual providers
7 may include the amounts provided in this subsection and the agreed upon
8 repurposed funding. Funding in this section for purposes other than
9 the individual provider collective bargaining agreement cannot be used
10 for the purposes of this subsection (7). It is the intent of the
11 legislature that the funding provided in this subsection, including any
12 repurposed funding, is sufficient to cover the costs of individual
13 provider training and therefore tuition or other entrance fees are not
14 necessary.

15 (8) \$338,550,000 of the general fund--state appropriation for
16 fiscal year 2013 and \$338,550,000 of the general fund--federal
17 appropriation are provided solely for the department to provide
18 personal care services to waiver and nonwaiver in-home clients. The
19 department shall provide the legislature with a report by December 5,
20 2012, on the feasibility of converting the medicaid personal care
21 program for in-home adults to a medicaid program as found in section
22 1915(i) of the federal social security act that utilizes the option for
23 self-direction of individualized budgets. The department shall operate
24 the personal care program within the amounts specifically provided.

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

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

32 (11) \$4,588,000 of the general fund--state appropriation for fiscal
33 year 2012, \$4,559,000 of the general fund--state appropriation for
34 fiscal year 2013, and \$9,237,000 of the general fund--federal
35 appropriation are provided solely for the continued operation of
36 community residential and support services for persons who are older
37 adults or who have co-occurring medical and behavioral disorders and
38 who have been discharged or diverted from a state psychiatric hospital.

1 These funds shall be used to serve individuals whose treatment needs
2 constitute substantial barriers to community placement, who no longer
3 require active psychiatric treatment at an inpatient hospital level of
4 care, and who no longer meet the criteria for inpatient involuntary
5 commitment.

6 (12) \$1,840,000 of the general fund--state appropriation for fiscal
7 year 2012 and \$1,877,000 of the general fund--state appropriation for
8 fiscal year 2013 are provided solely for operation of the volunteer
9 services program. Funding shall be prioritized towards serving
10 populations traditionally served by long-term care services to include
11 senior citizens and persons with disabilities.

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

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

23 (b) The current annual renewal license fee for adult family homes
24 shall be increased to \$100 per bed beginning in fiscal year 2012 and
25 assumes \$1,449,000 of the general fund--private/local appropriation;
26 and \$175 per bed beginning in fiscal year 2013 and assumes \$2,463,000
27 of the general fund--private/local appropriation. Adult family homes
28 shall receive a corresponding vendor rate increase per medicaid patient
29 day of \$0.22 in fiscal year 2012 and \$0.43 in fiscal year 2013 (~~to~~
30 ~~cover the license fee increase for publicly funded beds~~), or the
31 amount necessary to fully fund the license fee increase for publicly
32 funded beds, pursuant to the most recent bed estimates maintained by
33 the department.

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

37 (d) \$72,000 of the general fund--state appropriation for fiscal
38 year 2012, \$708,000 of the general fund--private/local appropriation

1 and \$708,000 of the general fund--federal appropriation are provided
2 solely to implement sections 501 through 503 of Engrossed Substitute
3 House Bill No. 1277 (licensed settings for vulnerable adults). The
4 department shall use additional investigative resources to address
5 complaints about provider practices as well as alleged abuse, neglect,
6 abandonment, and exploitation of residents in adult family homes. The
7 department shall develop a statewide internal quality review and
8 accountability program to improve the accountability of staff and the
9 consistent application of investigative activities, and shall convene
10 a quality assurance panel to review problems in the quality of care in
11 adult family homes.

12 (14) \$3,316,000 of the traumatic brain injury account--state
13 appropriation is provided solely to continue services for persons with
14 traumatic brain injury (TBI) as defined in chapter 143, Laws of 2011
15 (traumatic brain injury strategic partnership).

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

20 (16) The department shall participate in the work group established
21 by the department of corrections in section 220(2) of this act to
22 review release options for elderly and infirm offenders.

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

25 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES**
26 **PROGRAM**

27	General Fund--State Appropriation (FY 2012)	((\$487,305,000))
28		<u>\$415,553,000</u>
29	General Fund--State Appropriation (FY 2013)	((\$503,362,000))
30		<u>\$438,483,000</u>
31	General Fund--Federal Appropriation	((\$1,167,467,000))
32		<u>\$1,174,416,000</u>
33	General Fund--Private/Local Appropriation	\$30,592,000
34	TOTAL APPROPRIATION	((\$2,188,726,000))
35		<u>\$2,059,044,000</u>

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

1 (1) (~~(\$258,880,000)~~) \$195,410,000 of the general fund--state
2 appropriation for fiscal year 2012, (~~(\$297,296,000)~~) \$235,808,000 of
3 the general fund--state appropriation for fiscal year 2013, and
4 (~~(\$710,173,000)~~) \$725,586,000 of the general fund--federal
5 appropriation are provided solely for all components of the WorkFirst
6 program. Under section 2 of Engrossed Substitute Senate Bill No. 5921
7 (social services programs), the amounts in this subsection assume that
8 any participant in the temporary assistance for needy families where
9 their participation is suspended and does not volunteer to participate
10 in WorkFirst services or unsubsidized employment does not receive child
11 care subsidies or WorkFirst subsidies as a condition of the suspension.
12 Within the amounts provided for the WorkFirst program, the department
13 may provide assistance using state-only funds for families eligible for
14 temporary assistance for needy families.

15 (a) Within the amounts provided for WorkFirst in this subsection,
16 the department shall continue to implement WorkFirst program
17 improvements that are designed to achieve progress against outcome
18 measures specified in Engrossed House Bill No. 2262 (WorkFirst and
19 child care) and RCW 74.08A.410.

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

22 ~~(c) ((Within the amounts provided in this subsection, \$1,414,000 of~~
23 ~~the general fund state appropriation for fiscal year 2012 and~~
24 ~~\$5,150,000 of the general fund state appropriation for fiscal year~~
25 ~~2013 are provided solely for the implementation and administration of~~
26 ~~the electronic benefit transfer system under section 12 of Engrossed~~
27 ~~Substitute Senate Bill No. 5921 (social services programs). The~~
28 ~~department shall transfer these amounts to the department of early~~
29 ~~learning for the implementation and administration of the project.~~

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

34 ~~((e))~~ (d) The department shall create a temporary assistance for
35 needy families budget structure that allows for more transparent
36 tracking of budget units and subunits of expenditures where these units
37 and subunits are mutually exclusive from other department budget units.

1 The budget structure shall include budget units for the following:
2 Grants, child care, WorkFirst activities, and administration of the
3 program.

4 ~~(2)((a) \$11,825,000 of the general fund--federal appropriation is~~
5 ~~provided solely for a contingency reserve in the event the temporary~~
6 ~~assistance for needy families cash benefit is projected to exceed~~
7 ~~forecasted amounts by more than one percent. The department shall only~~
8 ~~expend an amount equal to the forecasted over-expenditure. For~~
9 ~~purposes of this subsection, the temporary assistance forecast shall be~~
10 ~~completed every quarter and follow a similar schedule of the caseload~~
11 ~~forecast council forecasts.~~

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

16 ~~(3)---\$23,494,000))~~ \$23,679,000 of the general fund--state
17 appropriation for fiscal year 2012, in addition to supplemental
18 security income recoveries, is provided solely for financial assistance
19 and other services to recipients in the program established in section
20 4, chapter 8, Laws of 2010 1st sp. sess., until the program terminates
21 on October 31, 2011.

22 ~~((+4))~~ (3)(a) ((\$13,086,000)) \$12,457,000 of the general fund--
23 state appropriation for fiscal year 2012 and ~~(((\$24,788,000))~~
24 \$21,959,000 of the general fund--state appropriation for fiscal year
25 2013, in addition to supplemental security income recoveries, are
26 provided solely for the programs created in Engrossed Substitute House
27 Bill No. 2082 (essential needs and assistance program) beginning
28 November 1, 2011.

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

35 (c) The department shall continue the interagency agreement with
36 the department of veterans' affairs to establish a process for referral
37 of veterans who may be eligible for veterans' services. This agreement

1 must include out-stationing department of veterans' affairs staff in
2 selected community service office locations in King and Pierce counties
3 to facilitate applications for veterans' services.

4 ~~((+5))~~ (4) \$1,657,000 of the general fund--state appropriation for
5 fiscal year 2012 and \$1,657,000 of the general fund--state
6 appropriation for fiscal year 2013 are provided solely for
7 naturalization services.

8 ~~((+6))~~ (5) \$2,366,000 of the general fund--state appropriation for
9 fiscal year 2012 is provided solely for refugee employment services, of
10 which \$1,774,000 is provided solely for the department to pass through
11 to statewide refugee assistance organizations for limited English
12 proficiency pathway services; and \$2,366,000 of the general fund--state
13 appropriation for fiscal year 2013 is provided solely for refugee
14 employment services, of which \$1,774,000 is provided solely for the
15 department to pass through to statewide refugee assistance
16 organizations for limited English proficiency pathway services.

17 ~~((+7))~~ (6) On December 1, 2011, and annually thereafter, the
18 department must report to the legislature on all sources of funding
19 available for both refugee and immigrant services and naturalization
20 services during the current fiscal year and the amounts expended to
21 date by service type and funding source. The report must also include
22 the number of clients served and outcome data for the clients.

23 ~~((+8))~~ (7) To ensure expenditures remain within available funds
24 appropriated in this section, the legislature establishes the benefit
25 under the state food assistance program, pursuant to RCW 74.08A.120, to
26 be fifty percent of the federal supplemental nutrition assistance
27 program benefit amount.

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

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

32	General Fund--State Appropriation (FY 2012)	((\$74,287,000))
33		<u>\$73,742,000</u>
34	General Fund--State Appropriation (FY 2013)	((\$74,422,000))
35		<u>\$71,218,000</u>
36	General Fund--Federal Appropriation	((\$141,514,000))
37		<u>\$184,401,000</u>

1	General Fund--Private/Local Appropriation	((\$2,086,000))
2		<u>\$13,486,000</u>
3	Criminal Justice Treatment Account--State	
4	Appropriation	\$20,748,000
5	Problem Gambling Account--State Appropriation	\$1,448,000
6	TOTAL APPROPRIATION	((\$314,505,000))
7		<u>\$365,043,000</u>

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

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

15 (2) Within the amounts appropriated in this section, the department
16 shall continue to provide for chemical dependency treatment services
17 for adult medicaid eligible, pregnant and parenting women, disability
18 lifeline, and alcoholism and drug addiction treatment and support act,
19 and medical care services clients.

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

34 (4) \$3,500,000 of the general fund--federal appropriation (from the
35 substance abuse prevention and treatment federal block grant) is
36 provided solely for the continued funding of existing county drug and
37 alcohol use prevention programs.

1 (5) Within amounts appropriated in this section, the department is
2 required to increase federal match available for intensive inpatient
3 services. During fiscal year 2013, the department shall shift
4 contracts for a minimum of 32 intensive inpatient beds currently
5 provided in settings that are considered institutions for mental
6 diseases to two or more facilities with no more than 16 beds that are
7 able to claim federal match for services provided to medicaid clients
8 or individuals covered under the department's section 1115 medicaid
9 waiver. The department is authorized to conduct a request for proposal
10 process to fulfill this requirement. By December 1, 2012, the
11 department shall provide a plan to the office of financial management
12 and to the relevant fiscal and policy committees of the legislature for
13 transitioning all remaining intensive inpatient beds currently provided
14 in settings that are considered institutions for mental diseases into
15 facilities with no more than 16 beds by June 2017. The plan shall
16 identify the maximum number of additional beds that can be transitioned
17 into facilities with no more than 16 beds during the 2013-2015 fiscal
18 biennium and the remaining number that will be transitioned during the
19 2015-2017 fiscal biennium, a timeline and process for accomplishing
20 this, and a projection of the related general fund--state savings for
21 each biennium.

22 (6) The amounts appropriated in this section include reductions of
23 \$303,000 in the general fund--state appropriation for fiscal year 2012
24 and \$1,815,000 in the general fund--state appropriation for fiscal year
25 2013. The department must apply this reduction across all levels of
26 chemical dependency residential treatment services excluding services
27 contracted through the counties, services provided to pregnant and
28 parenting women, services provided to juveniles, and services provided
29 to parents in dependency proceedings.

30 **Sec. 209.** 2011 2nd sp.s. c 9 s 209 (uncodified) is amended to read
31 as follows:

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

34	General Fund--State Appropriation (FY 2012)	((\$10,874,000))
35		<u>\$10,854,000</u>
36	General Fund--State Appropriation (FY 2013)	((\$10,861,000))
37		<u>\$10,401,000</u>

1 General Fund--Federal Appropriation ((~~\$105,091,000~~))
2 \$105,060,000
3 Telecommunications Devices for the Hearing and
4 Speech Impaired--State Appropriation \$2,766,000
5 TOTAL APPROPRIATION ((~~\$129,592,000~~))
6 \$129,081,000

7 The appropriations in this section are subject to the following
8 conditions and limitations: \$480,000 of the telecommunications devices
9 for the hearing and speech impaired account--state appropriation is
10 provided solely for the office of deaf and hard of hearing to contract
11 for services that provide employment support and help with life
12 activities for deaf-blind individuals in King county.

13 **Sec. 210.** 2011 2nd sp.s. c 9 s 210 (uncodified) is amended to read
14 as follows:

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

17 General Fund--State Appropriation (FY 2012) ((~~\$47,719,000~~))
18 \$48,167,000
19 General Fund--State Appropriation (FY 2013) ((~~\$46,292,000~~))
20 \$36,128,000
21 TOTAL APPROPRIATION ((~~\$94,011,000~~))
22 \$84,295,000

23 **Sec. 211.** 2011 2nd sp.s. c 9 s 211 (uncodified) is amended to read
24 as follows:

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

27 General Fund--State Appropriation (FY 2012) ((~~\$26,125,000~~))
28 \$26,069,000
29 General Fund--State Appropriation (FY 2013) ((~~\$24,586,000~~))
30 \$24,474,000
31 General Fund--Federal Appropriation ((~~\$39,223,000~~))
32 \$39,550,000
33 General Fund--Private/Local Appropriation \$2,116,000
34 Performance Audits of State Government--State
35 Appropriation \$4,812,000
36 TOTAL APPROPRIATION ((~~\$96,862,000~~))

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 of the general fund--state appropriation for fiscal year 2012 and \$445,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for funding of the teamchild project.

(3) \$178,000 of the general fund--state appropriation for fiscal year 2012 and \$178,000 of the general fund--state appropriation for fiscal year 2013 are 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 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.

(6) \$250,000 of the general fund--state appropriation for fiscal year 2013 is for the department to assist in the development of a public-private initiative that promotes innovative new approaches to prevention and mitigation of adverse childhood experiences. The department shall, as part of the transition to a public-private initiative that leverages the community networks' community capacity building model and infrastructure: (a) Assist community public health

1 and safety networks in identifying and obtaining funding opportunities
2 to assist local communities in achieving the purposes of networks and
3 further developing community capacity; and (b) maintain centralized
4 administrative services for the community network system in the office
5 of the secretary to facilitate cross-agency and multi-sector
6 partnership with community networks.

7 (7) \$250,000 of the general fund--state appropriation for fiscal
8 year 2013 is provided solely for a grant program focused on criminal
9 street gang prevention and intervention. The Washington state
10 partnership council on juvenile justice may award grants under this
11 subsection. The council shall give priority to applicants who have
12 demonstrated the greatest problems with criminal street gangs.
13 Applicants composed of, at a minimum, one or more local governmental
14 entities and one or more nonprofit, nongovernmental organizations that
15 have a documented history of creating and administering effective
16 criminal street gang prevention and intervention programs may apply for
17 funding under this subsection.

18 (8) \$113,000 of the general fund--state appropriation for fiscal
19 year 2013 and \$105,000 of the general fund--federal appropriation are
20 provided solely for staffing costs associated with implementation of
21 Engrossed Second Substitute House Bill No. 2536 (children
22 services/delivery). The amounts provided in this subsection must be
23 used for coordinated evidence-based practice implementation amongst the
24 department's programs providing mental health, child welfare, and
25 juvenile justice services to children. If Engrossed Second Substitute
26 House Bill No. 2536 (children services/delivery) is not enacted by June
27 30, 2012, the amounts provided in this subsection shall lapse.

28 **Sec. 212.** 2011 2nd sp.s. c 9 s 212 (uncodified) is amended to read
29 as follows:

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

32	General Fund--State Appropriation (FY 2012)	((\$62,778,000))
33		\$62,140,000
34	General Fund--State Appropriation (FY 2013)	((\$61,927,000))
35		\$46,303,000
36	General Fund--Federal Appropriation	((\$58,400,000))
37		\$53,049,000

1 TOTAL APPROPRIATION ((~~\$183,105,000~~))
2 \$161,492,000

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

5 \$469,000 of the general fund--state appropriation for fiscal year
6 2011 and \$270,000 of the general fund--state appropriation for fiscal
7 year 2012 are provided solely for implementation of Engrossed
8 Substitute Senate Bill No. 5921 (social services programs). If the
9 bill is not enacted by June 30, 2011, the amounts provided in this
10 subsection shall lapse.

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

13 **FOR THE STATE HEALTH CARE AUTHORITY**

14 General Fund--State Appropriation (FY 2012) ((~~\$2,130,229,000~~))
15 \$2,034,296,000
16 General Fund--State Appropriation (FY 2013) ((~~\$2,185,617,000~~))
17 \$2,031,185,000
18 General Fund--Federal Appropriation ((~~\$5,389,627,000~~))
19 \$5,307,323,000
20 General Fund--Private/Local Appropriation ((~~\$45,512,000~~))
21 \$62,597,000
22 Emergency Medical Services and Trauma Care Systems
23 Trust Account--State Appropriation \$15,077,000
24 Hospital Safety Net Assessment Fund--State
25 Appropriation ((~~\$394,905,000~~))
26 \$434,087,000
27 State Health Care Authority Administration Account--
28 State Appropriation ((~~\$34,118,000~~))
29 \$34,040,000
30 Basic Health Plan Stabilization Account--
31 State Appropriation \$44,000,000
32 Medical Aid Account--State Appropriation \$529,000
33 Medicaid Fraud Penalty Account--State Appropriation \$9,200,000
34 TOTAL APPROPRIATION ((~~\$10,239,614,000~~))
35 \$9,972,334,000

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

1 (1) The appropriations to the authority in this act shall be
2 expended for the purposes and in the amounts specified in this act. To
3 the extent that appropriations in this section are insufficient to fund
4 actual expenditures in excess of caseload forecasts and utilization
5 assumptions, the authority, after May 1, 2012, may transfer general
6 fund--state appropriations for fiscal year 2012 that are provided
7 solely for a specified purpose. The authority shall not transfer
8 funds, and the director of financial management shall not approve the
9 transfer, unless the transfer is consistent with the objective of
10 conserving, to the maximum extent possible, the expenditure of state
11 funds. The director of financial management shall notify the
12 appropriate fiscal committees of the senate and house of
13 representatives in writing seven days prior to approving any allotment
14 modifications or transfers under this subsection. The written
15 notification shall include a narrative explanation and justification of
16 the changes, along with expenditures and allotments by budget unit and
17 appropriation, both before and after any allotment modifications or
18 transfers.

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

29 ~~((+2))~~ (3) The health care authority shall require organizations
30 and individuals that are paid to deliver basic health plan services and
31 that choose to sponsor enrollment in the subsidized basic health plan
32 to pay 133 percent of the premium amount which would otherwise be due
33 from the sponsored enrollees.

34 ~~((+3))~~ (4)(a) \$1,200,000 of the general fund--state appropriation
35 for fiscal year 2012 is provided solely to plan the implementation of
36 a system of consolidated public school employee health benefits
37 purchasing.

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

6 To further this legislative intent, the state health care authority
7 shall develop a plan to implement a consolidated health benefits'
8 system for K-12 employees for the 2013-14 school year. The health care
9 authority shall deliver a report to the legislature by December 15,
10 2011, that sets forth the implementation plan to the ways and means
11 committees of the house of representatives and the senate.

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

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

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

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

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

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

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

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

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

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

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

37 (vii) Recommendations regarding the implementation of a new K-12

1 employee benefit plan, with separate options for voluntary
2 participation and mandatory statewide participation;

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

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

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

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

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

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

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

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

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

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

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

1 (~~(4)~~) (5) The administrator shall take at least the following
2 actions to assure that persons participating in the basic health plan
3 are eligible for the level of assistance they receive: (a) Require
4 submission of (i) income tax returns, and recent pay history, from all
5 applicants, or (ii) other verifiable evidence of earned and unearned
6 income from those persons not required to file income tax returns; (b)
7 check employment security payroll records at least once every twelve
8 months on all enrollees; (c) require enrollees whose income as
9 indicated by payroll records exceeds that upon which their subsidy is
10 based to document their current income as a condition of continued
11 eligibility; (d) require enrollees for whom employment security payroll
12 records cannot be obtained to document their current income at least
13 once every six months; (e) not reduce gross family income for self-
14 employed persons by noncash-flow expenses such as, but not limited to,
15 depreciation, amortization, and home office deductions, as defined by
16 the United States internal revenue service; and (f) pursue repayment
17 and civil penalties from persons who have received excessive subsidies,
18 as provided in RCW 70.47.060(9).

19 (~~(5)~~) (6) Enrollment in the subsidized basic health plan shall be
20 limited to only include persons who qualify as subsidized enrollees as
21 defined in RCW 70.47.020 and who (a) qualify for services under 1115
22 medicaid demonstration project number 11-W-00254/10; or (b) are foster
23 parents licensed under chapter 74.15 RCW.

24 (~~(6)~~) (7) \$23,700,000 of the general fund--federal appropriation
25 is provided solely for planning and implementation of a health benefit
26 exchange under the federal patient protection and affordable care act.
27 Within the amounts provided in this subsection, funds used by the
28 authority for information technology projects are conditioned on the
29 authority satisfying the requirements of Engrossed Second Substitute
30 Senate Bill No. 5931 (central service agencies).

31 (~~(7)~~) (8) Based on quarterly expenditure reports and caseload
32 forecasts, if the health care authority estimates that expenditures for
33 the medical assistance program will exceed the appropriations, the
34 health care authority shall take steps including but not limited to
35 reduction of rates or elimination of optional services to reduce
36 expenditures so that total program costs do not exceed the annual
37 appropriation authority.

1 ~~((+8))~~ (9) In determining financial eligibility for medicaid-
2 funded services, the health care authority is authorized to disregard
3 recoveries by Holocaust survivors of insurance proceeds or other
4 assets, as defined in RCW 48.104.030.

5 ~~((+9))~~ (10) The legislature affirms that it is in the state's
6 interest for Harborview medical center to remain an economically viable
7 component of the state's health care system.

8 ~~((+10))~~ (11) When a person is ineligible for medicaid solely by
9 reason of residence in an institution for mental diseases, the health
10 care authority shall provide the person with the same benefits as he or
11 she would receive if eligible for medicaid, using state-only funds to
12 the extent necessary.

13 ~~((+11))~~ (12) \$4,261,000 of the general fund--state appropriation
14 for fiscal year 2012, \$4,261,000 of the general fund--state
15 appropriation for fiscal year 2013, and \$8,522,000 of the general
16 fund--federal appropriation are provided solely for low-income
17 disproportionate share hospital payments under RCW 74.09.730(1)(a).

18 ~~((+12) \$5,905,000 of the general fund--state appropriation for
19 fiscal year 2012, \$5,905,000 of the general fund--state appropriation
20 for fiscal year 2013, and \$11,810,000 of the general fund--federal
21 appropriation are provided solely for nonrural indigent assistance
22 disproportionate share hospital payments in accordance with RCW
23 74.09.730(1)).~~

24 ~~(+13) \$665,000 of the general fund--state appropriation for fiscal
25 year 2012, \$665,000 of the general fund--state appropriation for fiscal
26 year 2013, and \$1,330,000 of the general fund--federal appropriation
27 are provided solely for small rural indigent assistance
28 disproportionate share hospital payments in accordance with RCW
29 74.09.730(1)).~~

30 ~~(+14))~~ (13) \$6,000,000 of the general fund--federal appropriation
31 is provided solely for supplemental payments to nursing homes operated
32 by public hospital districts. The public hospital district shall be
33 responsible for providing the required nonfederal match for the
34 supplemental payment, and the payments shall not exceed the maximum
35 allowable under federal rules. It is the legislature's intent that the
36 payments shall be supplemental to and shall not in any way offset or
37 reduce the payments calculated and provided in accordance with part E
38 of chapter 74.46 RCW. It is the legislature's further intent that

1 costs otherwise allowable for rate-setting and settlement against
2 payments under chapter 74.46 RCW shall not be disallowed solely because
3 such costs have been paid by revenues retained by the nursing home from
4 these supplemental payments. The supplemental payments are subject to
5 retrospective interim and final cost settlements based on the nursing
6 homes' as-filed and final medicare cost reports. The timing of the
7 interim and final cost settlements shall be at the health care
8 authority's discretion. During either the interim cost settlement or
9 the final cost settlement, the health care authority shall recoup from
10 the public hospital districts the supplemental payments that exceed the
11 medicaid cost limit and/or the medicare upper payment limit. The
12 health care authority shall apply federal rules for identifying the
13 eligible incurred medicaid costs and the medicare upper payment limit.

14 ~~((+15))~~ (14) The health care authority shall continue the
15 inpatient hospital certified public expenditures program for the 2011-
16 2013 fiscal biennium. The program shall apply to all public hospitals,
17 including those owned or operated by the state, except those classified
18 as critical access hospitals or state psychiatric institutions. The
19 health care authority shall submit reports to the governor and
20 legislature by November 1, 2011, and by November 1, 2012, that evaluate
21 whether savings continue to exceed costs for this program. If the
22 certified public expenditures (CPE) program in its current form is no
23 longer cost-effective to maintain, the health care authority shall
24 submit a report to the governor and legislature detailing
25 cost-effective alternative uses of local, state, and federal resources
26 as a replacement for this program. During fiscal year 2012 and fiscal
27 year 2013, hospitals in the program shall be paid and shall retain one
28 hundred percent of the federal portion of the allowable hospital cost
29 for each medicaid inpatient fee-for-service claim payable by medical
30 assistance and one hundred percent of the federal portion of the
31 maximum disproportionate share hospital payment allowable under federal
32 regulations. Inpatient medicaid payments shall be established using an
33 allowable methodology that approximates the cost of claims submitted by
34 the hospitals. Payments made to each hospital in the program in each
35 fiscal year of the biennium shall be compared to a baseline amount.
36 The baseline amount will be determined by the total of (a) the
37 inpatient claim payment amounts that would have been paid during the
38 fiscal year had the hospital not been in the CPE program based on the

1 reimbursement rates developed, implemented, and consistent with
2 policies approved in the 2011-13 biennial operating appropriations act
3 and in effect on July 1, 2011, (b) one half of the indigent assistance
4 disproportionate share hospital payment amounts paid to and retained by
5 each hospital during fiscal year 2005, and (c) all of the other
6 disproportionate share hospital payment amounts paid to and retained by
7 each hospital during fiscal year 2005 to the extent the same
8 disproportionate share hospital programs exist in the 2011-13 biennium.
9 If payments during the fiscal year exceed the hospital's baseline
10 amount, no additional payments will be made to the hospital except the
11 federal portion of allowable disproportionate share hospital payments
12 for which the hospital can certify allowable match. If payments during
13 the fiscal year are less than the baseline amount, the hospital will be
14 paid a state grant equal to the difference between payments during the
15 fiscal year and the applicable baseline amount. Payment of the state
16 grant shall be made in the applicable fiscal year and distributed in
17 monthly payments. The grants will be recalculated and redistributed as
18 the baseline is updated during the fiscal year. The grant payments are
19 subject to an interim settlement within eleven months after the end of
20 the fiscal year. A final settlement shall be performed. To the extent
21 that either settlement determines that a hospital has received funds in
22 excess of what it would have received as described in this subsection,
23 the hospital must repay the excess amounts to the state when requested.
24 (~~(\$24,677,000)~~) \$8,102,000 of the general fund--state appropriation for
25 fiscal year 2012, of which \$6,570,000 is appropriated in section 204(1)
26 of this act, and (~~(\$21,531,000)~~) \$3,162,000 of the general fund--state
27 appropriation for fiscal year 2013, of which \$6,570,000 is appropriated
28 in section 204(1) of this act, are provided solely for state grants for
29 the participating hospitals. CPE hospitals will receive the inpatient
30 and outpatient reimbursement rate restorations in RCW 74.60.080 and
31 rate increases in RCW 74.60.090 funded through the hospital safety net
32 assessment fund rather than through the baseline mechanism specified in
33 this subsection.

34 (~~(+16)~~) (15) The health care authority shall seek public-private
35 partnerships and federal funds that are or may become available to
36 provide on-going support for outreach and education efforts under the
37 federal children's health insurance program reauthorization act of
38 2009.

1 ~~((+17))~~ (16) The health care authority shall target funding for
2 maternity support services towards pregnant women with factors that
3 lead to higher rates of poor birth outcomes, including hypertension, a
4 preterm or low birth weight birth in the most recent previous birth, a
5 cognitive deficit or developmental disability, substance abuse, severe
6 mental illness, unhealthy weight or failure to gain weight, tobacco
7 use, or African American or Native American race. The health care
8 authority shall prioritize evidence-based practices for delivery of
9 maternity support services. To the extent practicable, the health care
10 authority shall develop a mechanism to increase federal funding for
11 maternity support services by leveraging local public funding for those
12 services.

13 ~~((+18))~~ (17) For children with family incomes above 200 percent of
14 the federal poverty level in the state-funded children's health program
15 for children who are not eligible for coverage under the federally
16 funded children's health insurance program, premiums shall be set every
17 two years in an amount equal to the average state-only share of the per
18 capita cost of coverage in the state-funded children's health program
19 for children in families with incomes at or less than two hundred
20 percent of the federal poverty level.

21 ~~((+19) \$704,000 of the general fund--state appropriation for fiscal
22 year 2012, \$726,000 of the general fund--state appropriation for fiscal
23 year 2013, and \$1,431,000 of the general fund--federal appropriation
24 are provided solely for))~~ (18) Within the amounts appropriated in this
25 section, the health care authority shall provide disproportionate share
26 hospital payments to hospitals that provide services to children in the
27 children's health program who are not eligible for services under Title
28 XIX or XXI of the federal social security act due to their citizenship
29 status.

30 ~~((+20) \$998,000))~~ (19) \$859,000 of the general fund--state
31 appropriation for fiscal year 2012, \$979,000 of the general fund--state
32 appropriation for fiscal year 2013, and ~~((+\$1,980,000))~~ \$1,841,000 of
33 the general fund--federal appropriation are provided solely to increase
34 prior authorization activities for advanced imaging procedures.

35 ~~((+21) \$249,000))~~ (20) \$196,000 of the general fund--state
36 appropriation for fiscal year 2012, \$246,000 of the general fund--state
37 appropriation for fiscal year 2013, and ~~((+\$495,000))~~ \$442,000 of the
38 general fund--federal appropriation are provided solely to increase

1 prior authorization activities for surgical procedures, which may
2 include orthopedic procedures, spinal procedures and interventions, and
3 nerve procedures.

4 ~~((+22))~~ (21) \$300,000 of the general fund--private/local
5 appropriation and \$300,000 of the general fund--federal appropriation
6 are provided solely for a prescriptive practices improvement
7 collaborative focusing upon atypical antipsychotics and other
8 medications commonly used in the treatment of severe and persistent
9 mental illnesses among adults. The project shall promote collaboration
10 among community mental health centers, other major prescribers of
11 atypical antipsychotic medications to adults enrolled in state medical
12 assistance programs, and psychiatrists, pharmacists, and other
13 specialists at the University of Washington department of psychiatry
14 and/or other research universities. The collaboration shall include
15 patient-specific prescriber consultations by psychiatrists and
16 pharmacists specializing in treatment of severe and persistent mental
17 illnesses among adults; production of profiles to assist prescribers
18 and clinics in tracking their prescriptive practices and their
19 patients' medication use and adherence relative to evidence-based
20 practices guidelines, other prescribers, and patients at other clinics;
21 and in-service seminars at which participants can share and increase
22 their knowledge of evidence-based and other effective prescriptive
23 practices. The health care authority shall enter into an interagency
24 agreement with the office of the attorney general for expenditure of
25 \$300,000 of the state's proceeds of the *cy pres* settlement in *State of*
26 *Washington v. AstraZeneca* (Seroquel) for this purpose.

27 ~~((+23))~~ (22) \$570,000 of the general fund--private/local
28 appropriation is provided solely for continued operation of the
29 partnership access line for child mental health consultations. The
30 health care authority shall enter into an interagency agreement with
31 the office of the attorney general for expenditure of \$570,000 of the
32 state's proceeds of the *cy pres* settlement in *State of Washington v.*
33 *AstraZeneca* (Seroquel) for this purpose.

34 ~~((+24))~~ (23) \$80,000 of the general fund--state appropriation for
35 fiscal year 2012, \$80,000 of the general fund--state appropriation for
36 fiscal year 2013, and \$160,000 of the general fund--federal
37 appropriation are provided solely to fund the Tacoma-Pierce county

1 health department for access and outreach activities to reduce infant
2 mortality.

3 ~~((+25))~~ (24) \$75,000 of the general fund--state appropriation for
4 fiscal year 2012, \$75,000 of the general fund--state appropriation for
5 fiscal year 2013, and \$150,000 of the general fund--federal
6 appropriation are provided solely to assist with development and
7 implementation of evidence-based strategies regarding the appropriate,
8 safe, and effective role of C-section surgeries and early induced labor
9 in births and neonatal care. The strategies shall be identified and
10 implemented in consultation with clinical research specialists,
11 physicians, hospitals, advanced registered nurse practitioners, and
12 organizations concerned with maternal and child health.

13 ~~((+26) \$2,400,000 of the general fund--state appropriation for
14 fiscal year 2012, \$2,435,000 of the general fund--state appropriation
15 for fiscal year 2013, \$7,253,000 of the general fund--private/local
16 appropriation, and \$12,455,000 of the general fund--federal
17 appropriation are provided solely for continued provision of))~~ (25)
18 Within the amounts appropriated in this section, the health care
19 authority shall continue to provide school-based medical services by
20 means of an intergovernmental transfer arrangement. Under the
21 arrangement, the state shall provide forty percent and school districts
22 sixty percent of the nonfederal matching funds required for receipt of
23 federal medicaid funding for the service.

24 ~~((+27))~~ (26) \$263,000 of the general fund--state appropriation for
25 fiscal year 2012, \$88,000 of the general fund--state appropriation for
26 fiscal year 2013, and \$351,000 of the general fund--federal
27 appropriation are provided solely for development and submission to the
28 federal government by October 1, 2011, of a demonstration project
29 proposal as provided in Substitute Senate Bill No. 5596 (medicaid
30 demonstration waiver).

31 ~~((+28) \$5,600,000 of the general fund--state appropriation for
32 fiscal year 2012, \$4,094,000 of the general fund--state appropriation
33 for fiscal year 2013, and \$11,332,000 of the general fund--federal
34 appropriation are provided solely for))~~ (27) Within the amounts
35 appropriated in this section, the health care authority shall provide
36 spoken-language interpreter services. The authority shall develop and
37 implement a new model for delivery of such services no later than
38 (~~January~~) July 1, 2012. The model shall include:

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

5 (b) The requirement that the state contract with delivery
6 organizations, including foreign language agencies, who employ or
7 subcontract only with language access providers or interpreters working
8 in the state who are certified or authorized by the state. When a
9 state-certified or state-authorized in-state language access provider
10 or interpreter is not available, the delivery organization, including
11 foreign language agencies, may use a provider with other certifications
12 or qualifications deemed to meet state standards, including
13 interpreters in other states; and

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

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

24 ~~((+29))~~ (28) In its procurement of contractors for delivery of
25 medical managed care services for nondisabled, nonelderly persons, the
26 medical assistance program shall (a) place substantial emphasis upon
27 price competition in the selection of successful bidders; and (b) not
28 require delivery of any services that would increase the actuarial cost
29 of service beyond the levels included in current healthy options
30 contracts.

31 ~~((+30))~~ (29) \$1,430,000 of the general fund--state appropriation
32 for fiscal year 2012, \$1,430,000 of the general fund--state
33 appropriation for fiscal year 2013, and \$2,860,000 of the general
34 fund--federal appropriation are provided solely to pay
35 federally-designated rural health clinics their standard encounter rate
36 for prenatal and well-child visits, whether delivered under a managed
37 care contract or fee-for-service. In reconciling managed care

1 enhancement payments for calendar years 2009 and 2010, the department
2 shall treat well-child and prenatal care visits as encounters subject
3 to the clinic's encounter rate.

4 ~~((+31))~~ (30) \$280,000 of the general fund--state appropriation for
5 fiscal year 2012 and \$282,000 of the general fund--federal
6 appropriation are provided solely to increase utilization management of
7 drugs and drug classes for which there is evidence of over-utilization,
8 off-label use, excessive dosing, duplicative therapy, or opportunities
9 to shift utilization to less expensive, equally effective formulations.

10 ~~((+32))~~ (31) \$70,000 of the general fund--state appropriation for
11 fiscal year 2012, \$70,000 of the general fund--state appropriation for
12 fiscal year 2013, and \$140,000 of the general fund--federal
13 appropriation are provided solely to continue operation by a nonprofit
14 organization of a toll-free hotline that assists families to learn
15 about and enroll in the apple health for kids program.

16 ~~((+33))~~ (32) \$400,000 of the general fund--state appropriation for
17 fiscal year 2012 and \$400,000 of the general fund--state appropriation
18 for fiscal year 2013 is provided solely for the local outreach, case
19 management, and coordination with dental providers needed to execute
20 the access to baby and child dentistry program, which provides dental
21 care to Medicaid eligible children up to age six.

22 ~~((+34) \$1,868,000 of the general fund--state appropriation for
23 fiscal year 2012, \$1,873,000 of the general fund--state appropriation
24 for fiscal year 2013, and \$3,154,000 of the general fund--federal
25 appropriation are provided solely to))~~ (33) Within the amounts
26 appropriated in this section, the health care authority shall continue
27 to provide dental services to pregnant women. Services shall include
28 preventive, routine, and emergent dental care.

29 ~~((+35))~~ (34) \$395,000 of the general fund--state appropriation for
30 fiscal year 2012, \$395,000 of the general fund--state appropriation for
31 fiscal year 2013, and \$790,000 of the general fund--federal
32 appropriation are provided solely for continued operation of the
33 dental education in care of persons with disabilities (DECOD) program
34 at the University of Washington.

35 ~~((+36) \$112,000))~~ (35) \$159,000 of the general fund--state
36 appropriation for fiscal year 2012, ~~((+36) \$112,000 of the general fund--
37 state appropriation for fiscal year 2013,))~~ \$302,000 of the general
38 fund--private/local appropriation, and ~~((+36) \$1,928,000))~~ \$146,072,000 of

1 the general fund--federal appropriation are provided solely for the
2 provider incentive program and other initiatives related to the health
3 information technology Medicaid plan. The general fund--private/local
4 appropriation in this subsection shall be funded with proceeds from
5 settlements in the case of *State of Washington vs. GlaxoSmithKline*.
6 The authority and the office of the attorney general shall enter an
7 interagency agreement regarding use of these funds.

8 ((+37+)) (36) \$2,926,000 of the general fund--local appropriation
9 and \$2,928,000 of the general fund--federal appropriation are provided
10 solely to support medical airlift services.

11 ((+38+)) (37) The authority shall collect data on enrollment and
12 utilization to study whether the expansion of family planning coverage
13 under Substitute Senate Bill No. 5912 is reducing state medical
14 expenditures by reducing unwanted pregnancies. The authority shall
15 report its findings to the legislature by December 1, 2012.

16 ((+39+)) (38) \$480,000 of the general fund--state appropriation for
17 fiscal year 2012, \$480,000 of the general fund--state appropriation for
18 fiscal year 2013, and \$824,000 of the general fund--federal
19 appropriation are provided solely for customer services staff. The
20 authority will attempt to improve the phone answer rate to 40 percent
21 and reduce the response times to written questions to ten days for
22 clients and 25 days for providers. The authority will report to the
23 legislature on its progress toward achieving these goals by January 1,
24 2012. If the authority has not achieved these goals by July 1, 2012,
25 then the authority shall reduce expenditures on management staff in
26 order to increase expenditures on customer service staff until the
27 goals are achieved.

28 ((+40+)) (39) The department shall purchase a brand name drug when
29 it determines that the cost of the brand name drug after rebates is
30 less than the cost of generic alternatives and that purchase of the
31 brand rather than generic version can save at least \$250,000. The
32 department may purchase generic alternatives when changes in market
33 prices make the price of the brand name drug after rebates more
34 expensive than the generic alternatives.

35 ~~((+41+)) The department shall collaborate closely with the Washington~~
36 ~~state hospital and medical associations in identification of the~~
37 ~~diagnostic codes and retroactive review procedures that will be used to~~

1 ~~determine whether an emergency room visit is a nonemergency condition~~
2 ~~to assure that conditions that require emergency treatment continue to~~
3 ~~be covered.))~~

4 (40) The authority, in collaboration with the department of social
5 and health services, the department of health, the Washington state
6 hospital association, the Puget Sound health alliance, the Washington
7 association of community and migrant health centers, and the forum, a
8 collaboration of health carriers, physicians, and hospitals in
9 Washington state, shall design a system of rural health system access
10 and quality incentive payments. The incentive payments must be linked
11 to explicit performance measures that consider not only services
12 provided by health care providers, but also the role that providers
13 might play in the rural health delivery systems in their communities,
14 including the provision of long-term care services. In designing the
15 incentive payment system, the authority shall consider the department
16 of health's necessary provider criteria for critical access hospitals,
17 the quality measures used to determine quality incentive payments under
18 RCW 74.60.130, and any other performance measures that would promote
19 access and quality in rural health systems. The authority, in
20 conjunction with those groups identified in this subsection, shall
21 develop parameters for determining criteria for increased payment,
22 alternative payment methodologies, or other incentives for those
23 providers that improve and achieve sustained improvement with respect
24 to the measures. The design of the system shall be submitted to the
25 relevant policy and fiscal committees of the legislature by December
26 15, 2012.

27 (41) \$150,000 of the general fund--state appropriation for fiscal
28 year 2012 and \$1,964,000 of the general fund--state appropriation for
29 fiscal year 2013 are provided solely to implement Engrossed Second
30 Substitute House Bill No. 2319 (affordable care act). If the bill is
31 not enacted by June 30, 2012, the amounts provided in this subsection
32 shall lapse.

33 (42) \$1,109,000 of the general fund--state appropriation for fiscal
34 year 2012, \$1,471,000 of the general fund--state appropriation for
35 fiscal year 2013, and \$21,890,000 of the general fund--federal
36 appropriation are provided solely to implement phase two of the project
37 to create a single provider payment system that consolidates medicaid

1 medical and social services payments and replaces the social service
2 payment system.

3 (43) In order to achieve the twelve percent reduction in emergency
4 room expenditures in the fiscal year 2013 appropriations provided in
5 this section, the authority, in consultation with the Washington state
6 hospital association, the Washington state medical association, and the
7 Washington chapter of the American college of emergency physicians
8 shall designate best practices and performance measures to reduce
9 medically unnecessary emergency room visits of medicaid clients. The
10 Washington state hospital association, the Washington state medical
11 association, and the Washington chapter of the American college of
12 emergency physicians will work with the authority to promote these best
13 practices. The best practices and performance measures shall consist
14 of the following items:

15 (a) Adoption of a system to exchange patient information among
16 emergency room departments on a regional or statewide basis;

17 (b) Active dissemination of patient educational materials produced
18 by the Washington state hospital association, Washington state medical
19 association, and the Washington chapter of the American college of
20 emergency physicians that instruct patients on appropriate facilities
21 for nonemergent health care needs;

22 (c) Designation of hospital personnel and emergency room physician
23 personnel to receive and appropriately disseminate information on
24 clients participating in the medicaid patient review and coordination
25 program and to review monthly utilization reports on those clients
26 provided by the authority;

27 (d) A process to assist the authority's patient review and
28 coordination program clients with their care plans. The process must
29 include substantial efforts by hospitals to schedule an appointment
30 with the client's assigned primary care provider within seventy-two
31 hours of the client's medically unnecessary emergency room visit when
32 appropriate under the client's care plan;

33 (e) Implementation of narcotic guidelines that incorporate the
34 Washington chapter of the American college of emergency physician
35 guidelines;

36 (f) Physician enrollment in the state's prescription monitoring
37 program, as long as the program is funded; and

1 (g) Designation of a hospital emergency department physician
2 responsible for reviewing the state's medicaid utilization management
3 feedback reports, which will include defined performance measures. The
4 emergency department physician and hospital will have a process to take
5 appropriate action in response to the information in the feedback
6 reports if performance measures are not met. The authority must
7 develop feedback reports that include timely emergency room utilization
8 data such as visit rates, medically unnecessary visit rates (by
9 hospital and by client), emergency department imaging utilization
10 rates, and other measures as needed. The authority may utilize the
11 Robert Bree collaborative for assistance related to this best practice.

12 The requirements for best practices for a critical access hospital
13 should not include adoption of a system to exchange patient information
14 if doing so would pose a financial burden, and should not include
15 requirements related to the authority's patient review and coordination
16 program if the volume of those patients seen at the critical access
17 hospital are small.

18 Hospitals participating in this medicaid best practices program
19 shall submit to the authority a declaration from executive level
20 leadership indicating hospital adoption of and compliance with the best
21 practices enumerated above. In the declaration, hospitals will affirm
22 that they have in place written policies, procedures, or guidelines to
23 implement these best practices and are willing to share them upon
24 request. The declaration must also give consent for the authority to
25 disclose feedback reports and performance measures on its web site.
26 The authority shall submit a list of declaring hospitals to the
27 relevant policy and fiscal committees of the legislature by July 15,
28 2012.

29 If the authority does not receive by July 1, 2012, declarations
30 from hospitals representing at least seventy-five percent of emergency
31 room visits by medicaid clients in fiscal year 2010, the authority may
32 implement a policy of nonpayment of medically unnecessary emergency
33 room visits, with appropriate client and clinical safeguards such as
34 exemptions and expedited prior authorization. The authority shall by
35 January 15, 2013, perform a preliminary fiscal analysis of trends in
36 implementing the best practices in this subsection, focusing on outlier
37 hospitals with high rates of unnecessary visits by medicaid clients,
38 high emergency room visit rates for patient review and coordination

1 clients, low rates of completion of treatment plans for patient review
2 and coordination clients assigned to the hospital, and high rates of
3 prescribed long-acting opiates. In cooperation with the leadership of
4 the hospital, medical, and emergency physician associations, additional
5 efforts shall be focused on assisting those outlier hospitals and
6 providers to achieve more substantial savings. The authority by
7 January 15, 2013, will report to the legislature about whether assumed
8 savings based on preliminary trend and forecasted data are on target
9 and if additional best practices or other actions need to be
10 implemented.

11 If necessary, pursuant to RCW 34.05.350(1)(c), the authority may
12 employ emergency rulemaking to achieve the reductions assumed in the
13 appropriations under this section.

14 Nothing in this subsection shall in any way impact the authority's
15 ability to adopt and implement policies pertaining to the patient
16 review and coordination program.

17 (44) \$25,000 of the hospital safety net assessment--state
18 appropriation and \$25,000 of the general fund--federal appropriation
19 are provided solely for the authority to review and report on the
20 payment of facility fees in programs administered by the authority.
21 The study shall include a summary of state and federal requirements and
22 practices with regard to the use of such fees; an analysis of how
23 authority payments for services and procedures that include an explicit
24 facility fee component compare to amounts paid for comparable services
25 and procedures that do not; the amount expended for facility fees by
26 major program and service in each of the four most recent years for
27 which reasonably complete and comparable information is available; an
28 analysis of the extent to which hospital acquisition of physician
29 practices and of laboratory, imaging, and other outpatient diagnostic
30 and treatment services has contributed to increased state expenditures;
31 and the authority's recommendations regarding possible revisions to
32 calculation and payment of such fees. The authority shall report its
33 finding and recommendations to the health care and appropriate fiscal
34 committees of the legislature by November 1, 2012.

35 (45) Prior to entering into a contract for medicaid managed care
36 services for the period commencing July 1, 2012, the director of the
37 health care authority shall certify to the governor and to the health
38 care committees of the legislature that the contractor has established

1 a network of acute, primary, and specialty care providers that is
2 sufficient to meet the needs of the contractor's anticipated enrollee
3 population. If no plan is able to certify an adequate provider network
4 in a county, the health care authority shall request re-bids from all
5 plans which originally submitted bids for the county during the regular
6 procurement process until award is successful. No county, that is
7 currently served by Medicaid managed care services shall revert to
8 fee-for-service as a result of the procurement process.

9 (46) The department shall seek a medicaid state plan amendment to
10 create a graduate medical education supplemental payment for services
11 delivered to managed care recipients by University of Washington
12 medicine and other public professional providers. This program shall
13 be effective as soon as administratively possible and shall operate
14 concurrently with the existing professional services supplemental
15 payment program. Providers that participate in the graduate medical
16 education supplemental payment program are not eligible to participate
17 in the professional services supplemental payment program. The
18 department shall apply federal rules for identifying the difference
19 between current physician encounter and fee-for-service medicaid
20 payments to participating providers and the applicable federal upper
21 payment limit. Participating providers shall be solely responsible for
22 providing the local funds required to obtain federal matching funds.
23 Any incremental costs incurred by the department in the development,
24 implementation, and maintenance of this program shall be the
25 responsibility of the participating providers. Participating providers
26 shall retain the full amount of supplemental payments provided under
27 this program, net of any costs related to the program that are
28 disallowed due to audits or litigation against the state.

29 (47) The authority shall exclude antiretroviral drugs used to treat
30 HIV/AIDS, anticancer medication that is used to kill or slow the growth
31 of cancerous cells, antihemophilic drugs, insulin and other drugs to
32 lower blood glucose, and immunosuppressive drugs from any formulary
33 limitations implemented to operate within the appropriations provided
34 in this section.

35 (48) If Engrossed Substitute Senate Bill No. 5978 (medicaid fraud)
36 is not enacted by June 30, 2012, the amounts appropriated in this
37 section from the medicaid fraud penalty account--state appropriation
38 shall lapse and an additional \$3,608,000 shall be appropriated from the

1 general fund--state for fiscal year 2013 for medicaid services, fraud
2 detection and prevention activities, recovery of improper payments, and
3 for other medicaid fraud enforcement activities.

4 (49) The authority may pursue a competitive bidding process for the
5 purchase of lowest cost generic drugs within the medicaid program.

6 (50) Within the amounts appropriated in this section, the health
7 care authority and the department of social and health services shall
8 implement the state option to provide health homes for enrollees with
9 chronic conditions under section 2703 of the federal affordable care
10 act. The total state match for enrollees who are dually-eligible for
11 both medicare and medicaid and not enrolled in managed care shall be no
12 more than the net savings to the state from the enhanced match rate for
13 its medicaid-only managed care enrollees under section 2703.

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

31 (52) \$66,000 of the general fund--state appropriation for fiscal
32 year 2013 and \$66,000 of the general fund--federal appropriation are
33 provided solely to implement Engrossed Second Substitute House Bill No.
34 2536 (children services/delivery). The department of social and health
35 services' programs responsible for administration of mental health,
36 child welfare, and juvenile justice programs will coordinate with the
37 health care authority on the development of contract terms which

1 facilitate efforts to meet requirements of the bill. If the bill is
2 not enacted by June 30, 2012, the amounts provided in this subsection
3 shall lapse.

4 (53) The health care authority shall participate in the work group
5 established by the department of corrections in section 220(2) of this
6 act to review release options for elderly and infirm offenders.

7 (54) \$35,000 of the general fund--state appropriation for fiscal
8 year 2013 and \$35,000 of the general fund--federal appropriation are
9 provided solely for development of a new payment and managed care
10 enhancement reconciliation methodology for rural health clinics. The
11 new methodology shall to the greatest possible extent increase
12 administrative simplicity for the rural health clinics; increase
13 transparency, efficiency, and predictability for the clinics; and
14 shorten the time elapsing between initial payment and final
15 reconciliation. The new methodology shall be developed in consultation
16 with the rural health clinic association, staff from the office of
17 financial management and the legislative fiscal committees, and the
18 federal centers for medicare and medicaid services. The authority
19 shall contract with a consultant acceptable to the rural health clinic
20 association to assist in preparation of the new methodology, and shall
21 report to the governor and appropriate committees of the legislature by
22 December 1, 2012, on the proposed alternative payment and
23 reconciliation methodology.

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

26 **FOR THE HUMAN RIGHTS COMMISSION**

27	General Fund--State Appropriation (FY 2012)	((\$2,240,000))
28		<u>\$1,993,000</u>
29	General Fund--State Appropriation (FY 2013)	((\$2,242,000))
30		<u>\$1,954,000</u>
31	General Fund--Federal Appropriation	((\$1,903,000))
32		<u>\$1,893,000</u>
33	TOTAL APPROPRIATION	((\$6,385,000))
34		<u>\$5,840,000</u>

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

1 **FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS**

2 Worker and Community Right-to-Know Account--State

3 Appropriation \$10,000

4 Accident Account--State Appropriation ((~~\$19,690,000~~))

5 \$19,598,000

6 Medical Aid Account--State Appropriation ((~~\$19,689,000~~))

7 \$19,601,000

8 TOTAL APPROPRIATION ((~~\$39,389,000~~))

9 \$39,209,000

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

12 (1) \$36,000 of the accident account--state appropriation and
13 \$36,000 of the medical aid account--state appropriation are solely
14 provided for Engrossed Substitute Senate Bill No. 5068 (industrial
15 safety and health act). If the bill is not enacted by June 30, 2011,
16 the amounts provided in this subsection shall lapse.

17 (2) \$16,000 of the accident account--state appropriation and
18 \$16,000 of the medical aid account--state appropriation are solely
19 provided for Substitute Senate Bill No. 5801 (industrial insurance
20 system). If the bill is not enacted by June 30, 2011, the amounts
21 provided in this subsection shall lapse.

22 (3) \$1,893,000 of the accident account--state appropriation and
23 \$1,893,000 of the medical aid account--state appropriation are provided
24 solely for implementation of House Bill No. 2123 (workers'
25 compensation). If the bill is not enacted by June 30, 2011, the
26 amounts provided in this subsection shall lapse.

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

29 **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

30 General Fund--State Appropriation (FY 2012) ((~~\$14,850,000~~))

31 \$14,589,000

32 General Fund--State Appropriation (FY 2013) ((~~\$14,711,000~~))

33 \$14,147,000

34 General Fund--Federal Appropriation \$456,000

35 General Fund--Private/Local Appropriation \$4,048,000

36 Death Investigations Account--State Appropriation \$148,000

37 Municipal Criminal Justice Assistance Account--

1	State Appropriation	\$460,000
2	Washington Auto Theft Prevention Authority Account--	
3	State Appropriation	\$8,597,000
4	TOTAL APPROPRIATION	((\$43,270,000))
5		<u>\$42,445,000</u>

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

8 (1) \$5,000,000 of the general fund--state appropriation for fiscal
9 year 2012 and \$5,000,000 of the general fund--state appropriation for
10 fiscal year 2013, are provided to the Washington association of
11 sheriffs and police chiefs solely to verify the address and residency
12 of registered sex offenders and kidnapping offenders under RCW
13 9A.44.130.

14 (2) \$321,000 of the general fund--local appropriation is provided
15 solely to purchase ammunition for the basic law enforcement academy.
16 Jurisdictions shall reimburse to the criminal justice training
17 commission the costs of ammunition, based on the average cost of
18 ammunition per cadet, for cadets that they enroll in the basic law
19 enforcement academy.

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

22 (4) \$100,000 of the general fund--state appropriation for fiscal
23 year 2012 and \$100,000 of the general fund--state appropriation for
24 fiscal year 2013 are provided solely for a school safety program. The
25 commission, in collaboration with the school safety center advisory
26 committee, shall provide the school safety training for all school
27 administrators and school safety personnel hired after the effective
28 date of this section.

29 (5) \$96,000 of the general fund--state appropriation for fiscal
30 year 2012 and ((~~\$90,000~~)) \$96,000 of the general fund--state
31 appropriation for fiscal year 2013 are provided solely for the school
32 safety center within the commission. The safety center shall act as an
33 information dissemination and resource center when an incident occurs
34 in a school district in Washington or in another state, coordinate
35 activities relating to school safety, and review and approve manuals
36 and curricula used for school safety models and training. Through an
37 interagency agreement, the commission shall provide funding for the
38 office of the superintendent of public instruction to continue to

1 develop and maintain a school safety information web site. The school
 2 safety center advisory committee shall develop and revise the training
 3 program, using the best practices in school safety, for all school
 4 safety personnel. The commission shall provide research-related
 5 programs in school safety and security issues beneficial to both law
 6 enforcement and schools.

7 (6) \$1,000,000 of the general fund--state appropriation for fiscal
 8 year 2012 and \$1,000,000 of the general fund--state appropriation for
 9 fiscal year 2013 are provided solely for grants to counties enforcing
 10 illegal drug laws and which have been underserved by federally funded
 11 state narcotics task forces. The Washington association of sheriffs
 12 and police chiefs, the Washington association of prosecuting attorneys,
 13 and the Washington association of county officials shall jointly
 14 develop funding allocations for the offices of the county sheriff,
 15 county prosecutor, and county clerk in qualifying counties. The
 16 commission shall not impose an administrative cost on this program.

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

19 **FOR THE DEPARTMENT OF LABOR AND INDUSTRIES**

20	General Fund--State Appropriation (FY 2012)	((\$17,433,000))
21		<u>\$17,406,000</u>
22	General Fund--State Appropriation (FY 2013)	((\$18,374,000))
23		<u>\$17,906,000</u>
24	General Fund--Federal Appropriation	\$11,636,000
25	Asbestos Account--State Appropriation	((\$395,000))
26		<u>\$375,000</u>
27	Electrical License Account--State Appropriation	((\$37,019,000))
28		<u>\$36,357,000</u>
29	Farm Labor Revolving Account--Private/Local Appropriation . . .	\$28,000
30	Worker and Community Right-to-Know Account--	
31	State Appropriation	((\$949,000))
32		<u>\$916,000</u>
33	Public Works Administration Account--State	
34	Appropriation	((\$6,814,000))
35		<u>\$7,043,000</u>
36	Manufactured Home Installation Training Account--	
37	State Appropriation	\$334,000

1	Accident Account--State Appropriation	((\$252,809,000))
2		<u>\$250,317,000</u>
3	Accident Account--Federal Appropriation	\$13,622,000
4	Medical Aid Account--State Appropriation	((\$264,202,000))
5		<u>\$262,421,000</u>
6	Medical Aid Account--Federal Appropriation	\$3,186,000
7	Plumbing Certificate Account--State Appropriation	((\$1,688,000))
8		<u>\$1,675,000</u>
9	Pressure Systems Safety Account--State	
10	Appropriation	((\$4,068,000))
11		<u>\$4,050,000</u>
12	TOTAL APPROPRIATION	((\$632,557,000))
13		<u>\$627,272,000</u>

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

16 (1) Pursuant to RCW 43.135.055, the department is authorized to
17 increase fees related to factory assembled structures, contractor
18 registration, electricians, plumbers, asbestos removal, boilers,
19 elevators, and manufactured home installers. Plumber fees may be
20 increased each year of the fiscal biennium. These increases are
21 necessary to support expenditures authorized in this section,
22 consistent with chapters 43.22, 18.27, 19.28, and 18.106 RCW, RCW
23 49.26.130, and chapters 70.79, 70.87, and 43.22A RCW.

24 (2) \$50,000 of the general fund--state appropriation for fiscal
25 year 2012 and \$50,000 of the general fund--state appropriation for
26 fiscal year 2013 are provided solely for the crime victims compensation
27 program to pay claims for mental health services for crime victim
28 compensation program clients who have an established relationship with
29 a mental health provider and subsequently obtain coverage under the
30 medicaid program or the medical care services program under chapter
31 74.09 RCW. Prior to making such payment, the program must have
32 determined that payment for the specific treatment or provider is not
33 available under the medicaid or medical care services program. In
34 addition, the program shall make efforts to contact any healthy options
35 or medical care services health plan in which the client may be
36 enrolled to help the client obtain authorization to pay the claim on an
37 out-of-network basis.

1 (3) \$1,281,000 of the accident account--state appropriation and
2 \$1,281,000 of the medical aid account--state appropriation are provided
3 solely for implementation of Engrossed Substitute House Bill No. 1725
4 (workers' compensation). If the bill is not enacted by June 30, 2011,
5 the amounts provided in this subsection shall lapse.

6 (4) \$51,000 of the accident account--state appropriation and
7 \$51,000 of the medical aid account--state appropriation are provided
8 solely for implementation of Engrossed Substitute House Bill No. 1367
9 (for hire vehicles, operators). If the bill is not enacted by June 30,
10 2011, the amounts provided in this subsection shall lapse.

11 (5) \$8,727,000 of the medical aid account--state appropriation is
12 provided solely for implementation of Substitute Senate Bill No. 5801
13 (industrial insurance system). If the bill is not enacted by June 30,
14 2011, the amount provided in this subsection shall lapse.

15 (6) \$625,000 of the general fund--state appropriation for fiscal
16 year 2012, \$625,000 of the general fund--state appropriation for fiscal
17 year 2013, \$1,250,000 of the public works administration account--state
18 appropriation, \$708,000 of the accident account--state appropriation,
19 and \$708,000 of the medical aid account--state appropriation are
20 provided solely for the purposes of expanding the detecting
21 unregistered employers targeting system and to support field staff in
22 investigation and enforcement. Within the funds appropriated in this
23 subsection, the department shall aggressively combat the underground
24 economy in construction. Of the amounts provided in this subsection,
25 \$800,000 shall be used for investigation and enforcement.

26 (7) \$8,583,000 of the accident account--state appropriation and
27 \$18,278,000 of the medical aid account--state appropriation are
28 provided solely for implementation of House Bill No. 2123 (workers'
29 compensation). If the bill is not enacted by June 30, 2011, the
30 amounts provided in this subsection shall lapse.

31 (8) \$90,000 of the public works administration account--state
32 appropriation is provided solely to implement Substitute Senate Bill
33 No. 6421 (prevailing wage/public works). If the bill is not enacted by
34 June 30, 2012, the amount provided in this subsection shall lapse.

35 (9) \$34,000 of the electrical license account--state appropriation
36 is provided solely to implement Senate Bill No. 6133 (electrician
37 certifications). If the bill is not enacted by June 30, 2012, the
38 amount provided in this subsection shall lapse.

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

3 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

4 (1) HEADQUARTERS

5	General Fund--State Appropriation (FY 2012)	((\$1,832,000))
6		<u>\$1,829,000</u>
7	General Fund--State Appropriation (FY 2013)	((\$1,826,000))
8		<u>\$1,801,000</u>
9	Charitable, Educational, Penal, and Reformatory	
10	Institutions Account--State Appropriation	\$10,000
11	TOTAL APPROPRIATION	((\$3,668,000))
12		<u>\$3,640,000</u>

13 (2) FIELD SERVICES

14	General Fund--State Appropriation (FY 2012)	((\$5,006,000))
15		<u>\$5,002,000</u>
16	General Fund--State Appropriation (FY 2013)	((\$5,001,000))
17		<u>\$4,964,000</u>
18	General Fund--Federal Appropriation	((\$3,356,000))
19		<u>\$3,348,000</u>
20	General Fund--Private/Local Appropriation	((\$4,737,000))
21		<u>\$4,722,000</u>
22	Veterans Innovations Program Account--State	
23	Appropriation	((\$812,000))
24		<u>\$810,000</u>
25	Veteran Estate Management Account--Private/Local	
26	Appropriation	((\$1,083,000))
27		<u>\$1,079,000</u>
28	TOTAL APPROPRIATION	((\$19,995,000))
29		<u>\$19,925,000</u>

30 The appropriations in this subsection are subject to the following
31 conditions and limitations: \$821,000 of the veterans innovations
32 program account--state appropriation is provided solely for the
33 department to continue support for returning combat veterans through
34 the veterans innovation program, including emergency financial
35 assistance through the defenders' fund and long-term financial
36 assistance through the competitive grant program.

37 (3) INSTITUTIONAL SERVICES

1 General Fund--State Appropriation (FY 2012) ((~~\$899,000~~))
 2 \$1,743,000
 3 (~~General Fund--State Appropriation (FY 2013) \$71,000~~)
 4 General Fund--Federal Appropriation ((~~\$59,177,000~~))
 5 \$61,437,000
 6 General Fund--Private/Local Appropriation ((~~\$32,094,000~~))
 7 \$29,506,000
 8 TOTAL APPROPRIATION ((~~\$92,241,000~~))
 9 \$92,686,000

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

12 **FOR THE DEPARTMENT OF HEALTH**

13 General Fund--State Appropriation (FY 2012) ((~~\$79,888,000~~))
 14 \$79,404,000
 15 General Fund--State Appropriation (FY 2013) ((~~\$79,718,000~~))
 16 \$78,114,000
 17 General Fund--Federal Appropriation ((~~\$555,563,000~~))
 18 \$553,078,000
 19 General Fund--Private/Local Appropriation ((~~\$148,362,000~~))
 20 \$148,055,000
 21 Hospital Data Collection Account--State Appropriation \$214,000
 22 Health Professions Account--State Appropriation ((~~\$94,469,000~~))
 23 \$99,085,000
 24 Aquatic Lands Enhancement Account--State Appropriation \$604,000
 25 Emergency Medical Services and Trauma Care Systems
 26 Trust Account--State Appropriation ((~~\$12,302,000~~))
 27 \$12,300,000
 28 Safe Drinking Water Account--State Appropriation ((~~\$4,480,000~~))
 29 \$4,464,000
 30 Drinking Water Assistance Account--Federal
 31 Appropriation ((~~\$22,875,000~~))
 32 \$21,965,000
 33 Waterworks Operator Certification--State
 34 Appropriation ((~~\$1,532,000~~))
 35 \$1,528,000
 36 Drinking Water Assistance Administrative Account--
 37 State Appropriation \$326,000

1	<u>Site Closure Account--State Appropriation</u>	<u>\$79,000</u>
2	Biotoxin Account--State Appropriation	\$1,167,000
3	State Toxics Control Account--State Appropriation	(\$3,649,000)
4		<u>\$3,628,000</u>
5	Medical Test Site Licensure Account--State	
6	Appropriation	(\$2,321,000)
7		<u>\$2,311,000</u>
8	Youth Tobacco Prevention Account--State Appropriation	\$1,512,000
9	Community and Economic Development Fee Account--State	
10	Appropriation	(\$596,000)
11		<u>\$298,000</u>
12	Public Health Supplemental Account--Private/Local	
13	Appropriation	\$3,598,000
14	Accident Account--State Appropriation	(\$297,000)
15		<u>\$295,000</u>
16	Medical Aid Account--State Appropriation	\$50,000
17	Tobacco Prevention and Control Account--State	
18	Appropriation	(\$37,000)
19		<u>\$1,729,000</u>
20	TOTAL APPROPRIATION	(\$1,013,560,000)
21		<u>\$1,013,804,000</u>

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

24 (1) The department of health shall not initiate any services that
25 will require expenditure of state general fund moneys unless expressly
26 authorized in this act or other law. The department of health and the
27 state board of health shall not implement any new or amended rules
28 pertaining to primary and secondary school facilities until the rules
29 and a final cost estimate have been presented to the legislature, and
30 the legislature has formally funded implementation of the rules through
31 the omnibus appropriations act or by statute. The department may seek,
32 receive, and spend, under RCW 43.79.260 through 43.79.282, federal
33 moneys not anticipated in this act as long as the federal funding does
34 not require expenditure of state moneys for the program in excess of
35 amounts anticipated in this act. If the department receives
36 unanticipated unrestricted federal moneys, those moneys shall be spent
37 for services authorized in this act or in any other legislation that
38 provides appropriation authority, and an equal amount of appropriated

1 state moneys shall lapse. Upon the lapsing of any moneys under this
2 subsection, the office of financial management shall notify the
3 legislative fiscal committees. As used in this subsection,
4 "unrestricted federal moneys" includes block grants and other funds
5 that federal law does not require to be spent on specifically defined
6 projects or matched on a formula basis by state funds.

7 (2) In accordance with RCW 43.70.250 and 43.135.055, the department
8 is authorized to establish and raise fees in fiscal year 2012 as
9 necessary to meet the actual costs of conducting business and the
10 appropriation levels in this section. This authorization applies to
11 fees required for: The review of health care facility construction;
12 review of health facility requests for certificate of need; the
13 regulation and inspection of farm worker housing, hospital licensing,
14 in-home health service agencies, and producers of radioactive waste;
15 the regulation and inspection of shellfish sanitary control, surgical
16 facility licensing, and; fees associated with the following
17 professions: Dietitians and nutritionists, occupational therapists,
18 pharmacy, veterinarian, orthotics and prosthetics, surgical
19 technicians, nursing home administrators, health care assistants,
20 hearing and speech, psychology, hypnotherapy, chiropractic, social
21 workers, physicians, and physician assistants.

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

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

28 (5) \$1,969,000 of the health professions account--state
29 appropriation is provided solely to implement online licensing for
30 health care providers. The department must submit a detailed
31 investment plan for this project to the office of financial management.
32 The office of financial management must review and approve this plan
33 before funding may be expended. The department of health must
34 successfully implement online application and renewal for at least one
35 profession as a pilot project before pursuing additional professions.
36 The department must report to the office of financial management on the
37 outcome of the pilot project.

1 ~~((+4))~~ (6) \$16,000 of the health professions account--state
2 appropriation is provided solely for the implementation of House Bill
3 No. 1181 (board of naturopathy). If the bill is not enacted by June
4 30, 2011, the amount provided in this subsection shall lapse.

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

10 ~~((+6))~~ (8) \$54,000 of the health professions account--state
11 appropriation is provided solely for the implementation of House Bill
12 No. 1353 (pharmacy technicians). If the bill is not enacted by June
13 30, 2011, the amount provided in this subsection shall lapse.

14 ~~((+7))~~ (9) \$142,000 of the health professions account--state
15 appropriation is provided solely for the implementation of Engrossed
16 Substitute Senate Bill No. 5020 (social workers). If the bill is not
17 enacted by June 30, 2011, the amount provided in this subsection shall
18 lapse.

19 ~~((+8))~~ (10) \$336,000 of the health professions account--state
20 appropriation is provided solely for the implementation of Senate Bill
21 No. 5480 (physicians and physician assistants). If the bill is not
22 enacted by June 30, 2011, the amount provided in this subsection shall
23 lapse.

24 ~~((+9))~~ (11) \$46,000 of the health professions account--state
25 appropriation is provided solely for the implementation of Substitute
26 Senate Bill No. 5071 (online access for midwives and marriage and
27 family therapists). If the bill is not enacted by June 30, 2011, the
28 amount provided in this subsection shall lapse.

29 ~~((+10))~~ (12) \$137,000 of the health professions account--state
30 appropriation is provided solely for implementation of Substitute House
31 Bill No. 1133 (massage practitioner license). If the bill is not
32 enacted by June 30, 2011, the amount provided in this subsection shall
33 lapse.

34 ~~((+11))~~ (13) \$85,000 of the general fund--state appropriation for
35 fiscal year 2012 (~~and \$85,000 of the general fund--state appropriation~~
36 ~~for fiscal year 2013 are)) is provided solely for the developmental
37 disabilities council to contract for a family-to-family mentor program
38 to provide information and support to families and guardians of persons~~

1 who are transitioning out of residential habilitation centers. To the
2 maximum extent allowable under federal law, these funds shall be
3 matched under medicaid through the department of social and health
4 services and federal funds shall be transferred to the department for
5 the purposes stated in this subsection. If Second Substitute Senate
6 Bill No. 5459 (people with developmental disabilities) is not enacted
7 by June 30, 2011, the amounts provided in this subsection shall lapse.

8 ~~((+12+))~~ (14) \$57,000 of the general fund--state appropriation for
9 fiscal year 2012 and \$58,000 of the general fund--state appropriation
10 for fiscal year 2013 are provided solely for the midwifery licensure
11 and regulatory program to offset a reduction in revenue from fees.
12 There shall be no change to the current annual fees for new or renewed
13 licenses for the midwifery program, except from online access to HEAL-
14 WA. The department shall convene the midwifery advisory committee on
15 a quarterly basis to address issues related to licensed midwifery.

16 ~~((+13+))~~ (15) \$118,000 of the general fund--state appropriation for
17 fiscal year 2012 and \$118,000 of the general fund--state appropriation
18 for fiscal year 2013 are provided solely for prevention of youth
19 suicides.

20 ~~((+14+))~~ (16) \$87,000 of the general fund--state appropriation for
21 fiscal year 2012 and \$87,000 of the general fund--state appropriation
22 for fiscal year 2013 are provided solely for the senior falls
23 prevention program.

24 (17) \$19,000 of the health professions account--state appropriation
25 is provided solely for implementation of Senate Bill No. 6290 (military
26 spouses and partners). If the bill is not enacted by June 30, 2012,
27 the amount provided in this subsection shall lapse.

28 (18) \$102,000 of the health professions account--state
29 appropriation is provided solely for implementation of Engrossed
30 Substitute Senate Bill No. 6237 (career pathway/medical assistants).
31 If the bill is not enacted by June 30, 2012, the amount provided in
32 this subsection shall lapse.

33 (19) \$21,000 of the health professions account--state appropriation
34 is provided solely for implementation of Substitute Senate Bill No.
35 6328 (mental health professionals). If the bill is not enacted by June
36 30, 2012, the amount provided in this subsection shall lapse.

37 (20) \$61,000 of the health professions account--state appropriation

1 is provided solely for implementation of Engrossed Substitute Senate
2 Bill No. 6103 (reflexologists). If the bill is not enacted by June 30,
3 2012, the amount provided in this subsection shall lapse.

4 (21) \$28,000 of the health professions account--state appropriation
5 is provided solely for implementation of Engrossed Second Substitute
6 Senate Bill No. 5620 (dental anesthesia assistants). If the bill is
7 not enacted by June 30, 2012, the amount provided in this subsection
8 shall lapse.

9 (22) Appropriations for fiscal year 2013 include funding for
10 consolidation of the department of ecology's low-level radioactive
11 waste site use permit program in the department of health.

12 (23) During the remainder of the 2011-2013 fiscal biennium, each
13 person subject to RCW 43.70.110(3)(c) is required to pay only one
14 surcharge of up to twenty-five dollars annually for the purposes of RCW
15 43.70.112, regardless of how many professional licenses the person
16 holds.

17 (24) \$15,000 of the health professions account--state appropriation
18 is provided solely to implement Substitute House Bill No. 2056
19 (assisted living facilities). If the bill is not enacted by June 30,
20 2012, the amount provided in this subsection shall lapse.

21 (25) \$11,000 of the health professions account--state appropriation
22 is provided solely to implement Engrossed House Bill No. 2186 (licensed
23 midwives). If the bill is not enacted by June 30, 2012, the amount
24 provided in this subsection shall lapse.

25 (26) \$11,000 of the general fund--state appropriation for fiscal
26 year 2013 is provided solely to implement Engrossed Substitute House
27 Bill No. 2229 (hospital employees). If the bill is not enacted by June
28 30, 2012, the amount provided in this subsection shall lapse.

29 (27) \$48,000 of the health professions account--state appropriation
30 is provided solely to implement Engrossed Substitute House Bill No.
31 2314 (long-term care workers). If the bill is not enacted by June 30,
32 2012, the amount provided in this subsection shall lapse.

33 (28) \$280,000 of the health professions account--state
34 appropriation is provided solely to implement Engrossed Substitute
35 House Bill No. 2366 (suicide assessment and training). If the bill is
36 not enacted by June 30, 2012, the amounts provided in this subsection
37 shall lapse.

1 (29) \$11,000 of the general fund--state appropriation for fiscal
2 year 2013 is provided solely to implement Engrossed Substitute House
3 Bill No. 2582 (health care services billing). If the bill is not
4 enacted by June 30, 2012, the amount provided in this subsection shall
5 lapse.

6 (30) \$22,000 of the general fund--state appropriation for fiscal
7 year 2013 is provided solely to implement Substitute Senate Bill No.
8 6105 (prescription monitoring program). If the bill is not enacted by
9 June 30, 2012, the amount provided in this subsection shall lapse.

10 (31) \$30,000 of the health professions account--state appropriation
11 is provided solely for implementation of Engrossed Substitute House
12 Bill No. 2473 (medication assistant endorsement). If the bill is not
13 enacted by June 30, 2012, the amount provided in this subsection shall
14 lapse.

15 (32) General fund--state appropriations for fiscal year 2013
16 includes funding to subsidize operating license and inspection fees in
17 the temporary worker housing program. In implementing this subsidy,
18 the department shall evaluate program regulations including but not
19 limited to the use of occupancy levels to determine the fee structure
20 and the frequency of inspections.

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

23 **FOR THE DEPARTMENT OF CORRECTIONS**

24 The appropriations to the department of corrections in this act
25 shall be expended for the programs and in the amounts specified in this
26 section. However, after May 1, 2012, after approval by the director of
27 financial management and unless specifically prohibited by this act,
28 the department may transfer general fund--state appropriations for
29 fiscal year 2012 between programs. The department shall not transfer
30 funds, and the director of financial management shall not approve the
31 transfer, unless the transfer is consistent with the objective of
32 conserving, to the maximum extent possible, the expenditure of state
33 funds. The director of financial management shall notify the
34 appropriate fiscal committees of the senate and house of
35 representatives in writing seven days prior to approving any deviations
36 from appropriation levels. The written notification shall include a

1 narrative explanation and justification of the changes, along with
2 expenditures and allotments by budget unit and appropriation, both
3 before and after any allotment modifications or transfers.

4 (1) ADMINISTRATION AND SUPPORT SERVICES

5 General Fund--State Appropriation (FY 2012)	((\$54,529,000))
6	<u>\$52,025,000</u>
7 General Fund--State Appropriation (FY 2013)	((\$53,210,000))
8	<u>\$52,981,000</u>
9 TOTAL APPROPRIATION	((\$107,739,000))
10	<u>\$105,006,000</u>

11 The appropriations in this subsection are subject to the following
12 conditions and limitations: \$35,000 of the general fund--state
13 appropriation for fiscal year 2012 and \$35,000 of the general fund--
14 state appropriation for fiscal year 2013 are provided solely for the
15 support of a statewide council on mentally ill offenders that includes
16 as its members representatives of community-based mental health
17 treatment programs, current or former judicial officers, and directors
18 and commanders of city and county jails and state prison facilities.
19 The council will investigate and promote cost-effective approaches to
20 meeting the long-term needs of adults and juveniles with mental
21 disorders who have a history of offending or who are at-risk of
22 offending, including their mental health, physiological, housing,
23 employment, and job training needs.

24 (2) CORRECTIONAL OPERATIONS

25 General Fund--State Appropriation (FY 2012)	((\$609,105,000))
26	<u>\$598,237,000</u>
27 General Fund--State Appropriation (FY 2013)	((\$602,804,000))
28	<u>\$575,457,000</u>
29 General Fund--Federal Appropriation	\$3,324,000
30 Washington Auto Theft Prevention Authority Account--	
31 State Appropriation	\$14,079,000
32 <u>Enhanced 911 Account--State Appropriation</u>	<u>\$2,000,000</u>
33 TOTAL APPROPRIATION	((\$1,229,312,000))
34	<u>\$1,193,097,000</u>

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

1 (a) During the 2011-13 biennium, when contracts are established or
2 renewed for offender pay phone and other telephone services provided to
3 inmates, the department shall select the contractor or contractors
4 primarily based on the following factors: (i) The lowest rate charged
5 to both the inmate and the person paying for the telephone call; and
6 (ii) the lowest commission rates paid to the department, while
7 providing reasonable compensation to cover the costs of the department
8 to provide the telephone services to inmates and provide sufficient
9 revenues for the activities funded from the institutional welfare
10 betterment account.

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

16 (c) \$102,000 of the general fund--state appropriation for fiscal
17 year 2012 and \$102,000 of the general fund--state appropriation for
18 fiscal year 2013 are provided solely to implement House Bill No. 1290
19 (health care employee overtime). If the bill is not enacted by June
20 30, 2011, the amounts provided in this subsection shall lapse.

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

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

37 (f) \$311,000 of the general fund--state appropriation for fiscal

1 year 2013 is provided solely for implementation of House Bill No. 2346
2 (correctional officer uniforms). If the bill is not enacted by June
3 30, 2012, the amount provided in this subsection shall lapse.

4 (g) \$41,000 of the general fund--state appropriation for fiscal
5 year 2012 and \$165,000 of the general fund--state appropriation for
6 fiscal year 2013 are provided solely for the department to maintain the
7 facility, property, and assets at the institution formerly known as the
8 maple lane school in Rochester. The department may not house
9 incarcerated offenders at the maple lane site until specifically
10 directed by the legislature. By November 1, 2012, the department shall
11 report to the appropriate fiscal committees of the house of
12 representatives and the senate with a plan for the future use of the
13 facility.

14 (h) By December 1, 2012, the department shall provide to the
15 legislative fiscal committees a report that evaluates health care
16 expenditures in Washington state correctional institutions and makes
17 recommendations for controlling health care costs. The report shall
18 evaluate the source of health care costs, including offender health
19 issues, use of pharmaceuticals, offsite and specialist medical care,
20 chronic disease costs, and mental health issues. The department may
21 include information from other states on cost control in offender
22 health care, trends in offender health care that indicate potential
23 cost increases, and management of high-cost diagnoses.

24 (i) The department shall convene a work group to develop health
25 care cost containment strategies at local jail facilities. The work
26 group shall identify cost containment strategies in place at the
27 department and at local jail facilities, identify the costs and
28 benefits of implementing strategies in jail health-care facilities, and
29 make recommendations on implementing beneficial strategies. The work
30 group shall submit a report on its findings and recommendations to the
31 fiscal committees of the legislature by October 1, 2013. The work
32 group shall include jail administrators, representatives from health
33 care facilities at the local jail level and the state prisons level,
34 and other representatives as deemed necessary.

35 (j) The department of corrections, with participation of the health
36 care authority and the department of social and health services, aging
37 and adult services administration, shall establish a work group to
38 analyze and review release options for elderly and infirm offenders and

1 submit recommendations to the appropriate policy and fiscal committees
2 of the legislature with release options for these populations no later
3 than December 1, 2012. In making its recommendations, the work group
4 shall identify:

5 (i) The most expensive medical conditions for which the department
6 has had to treat its offenders and the offenders receiving the most
7 costly ongoing medical treatments;

8 (ii) For identified populations, the age, level of disability, cost
9 of care while incarcerated, safety issues related to release, ease of
10 placement, and time served in relation to the offender's sentence;

11 (iii) Potential cost savings to the state that may be generated by
12 the early release of elderly and infirm offenders;

13 (iv) Housing options to expedite the release of aging and infirm
14 offenders while maintaining the safety of housing providers, other
15 housing residents, and the general public; and

16 (v) Optimal procedures for reviewing offenders on a case-by-case
17 basis to ensure that the interests of justice and public safety are
18 considered in any early release decision.

19 (3) COMMUNITY SUPERVISION

20	General Fund--State Appropriation (FY 2012)	((\$129,635,000))
21		<u>\$127,121,000</u>
22	General Fund--State Appropriation (FY 2013)	((\$128,049,000))
23		<u>\$128,494,000</u>
24	Federal Narcotics Forfeiture Account--Federal	
25	Appropriation	\$372,000
26	Controlled Substances Account--State	
27	Appropriation	\$32,000
28	TOTAL APPROPRIATION	((\$258,088,000))
29		<u>\$256,019,000</u>

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

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

37 (b) \$6,362,000 of the general fund--state appropriation for fiscal

1 year 2013 is provided solely to implement an evidence-based risk-needs-
2 responsivity model for community supervision of offenders.

3 (4) CORRECTIONAL INDUSTRIES

4	General Fund--State Appropriation (FY 2012)	((\$3,535,000))
5		<u>\$2,513,000</u>
6	General Fund--State Appropriation (FY 2013)	((\$3,458,000))
7		<u>\$2,431,000</u>
8	TOTAL APPROPRIATION	((\$6,993,000))
9		<u>\$4,944,000</u>

10 The appropriations in this subsection are subject to the following
11 conditions and limitations: \$66,000 of the general fund--state
12 appropriation for fiscal year 2012 is provided solely for transfer to
13 the jail industries board. The board shall use the amounts provided
14 only for administrative expenses, equipment purchases, and technical
15 assistance associated with advising cities and counties in developing,
16 promoting, and implementing consistent, safe, and efficient offender
17 work programs.

18 (5) INTERAGENCY PAYMENTS

19	General Fund--State Appropriation (FY 2012)	((\$37,053,000))
20		<u>\$35,821,000</u>
21	General Fund--State Appropriation (FY 2013)	((\$35,549,000))
22		<u>\$27,264,000</u>
23	TOTAL APPROPRIATION	((\$72,602,000))
24		<u>\$63,085,000</u>

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

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

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

34 (c) The department shall reduce payments to the department of
35 information services or its successor by \$213,000 in fiscal year 2012
36 and by \$1,150,000 in fiscal year 2013. The reduction in payment shall

1 be related to the elimination of the offender base tracking system,
2 including moving remaining portions of the offender base tracking
3 system into the offender management network information system.

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

6 **FOR THE DEPARTMENT OF SERVICES FOR THE BLIND**

7	General Fund--State Appropriation (FY 2012)	((\$2,278,000))
8		<u>\$2,159,000</u>
9	General Fund--State Appropriation (FY 2013)	((\$2,264,000))
10		<u>\$2,131,000</u>
11	General Fund--Federal Appropriation	((\$19,082,000))
12		<u>\$19,239,000</u>
13	General Fund--Private/Local Appropriation	\$30,000
14	TOTAL APPROPRIATION	((\$23,654,000))
15		<u>\$23,559,000</u>

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

18 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

19	General Fund--Federal Appropriation	((\$267,301,000))
20		<u>\$267,069,000</u>
21	General Fund--Private/Local Appropriation	((\$33,931,000))
22		<u>\$33,856,000</u>
23	Unemployment Compensation Administration Account--	
24	Federal Appropriation	((\$350,622,000))
25		<u>\$349,247,000</u>
26	Administrative Contingency Account--State	
27	Appropriation	((\$20,948,000))
28		<u>\$20,940,000</u>
29	Employment Service Administrative Account--State	
30	Appropriation	((\$33,721,000))
31		<u>\$33,609,000</u>
32	TOTAL APPROPRIATION	((\$706,523,000))
33		<u>\$704,721,000</u>

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

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

7 (2) \$35,584,000 of the unemployment compensation administration
8 account--federal appropriation is from amounts made available to the
9 state by section 903 (d), (f), and (g) of the social security act (Reed
10 act). This amount is provided solely for the replacement of the
11 unemployment insurance tax information system for the employment
12 security department. The employment security department shall support
13 the department of revenue and department of labor and industries to
14 develop a common vision to ensure technological compatibility between
15 the three agencies to facilitate a coordinated business tax system for
16 the future that improves services to business customers. The amounts
17 provided in this subsection are conditioned on the department
18 satisfying the requirements of the project management oversight
19 standards and policies established by the office of the chief
20 information officer created in Engrossed Substitute Senate Bill No.
21 5931 (information technology management).

22 (3) \$25,000 of the unemployment compensation administration
23 account--federal appropriation is from amounts made available to the
24 state by section 903 (d), (f), and (g) of the social security act (Reed
25 act). This amount is provided solely for implementation of system
26 changes to the unemployment insurance tax information system required
27 under chapter 4, Laws of 2011 (unemployment insurance program).

28 (4) \$1,459,000 of the unemployment compensation administration
29 account--federal appropriation is from amounts available to the state
30 by section 903 (d), (f), and (g) of the social security act (Reed act).
31 This amount is provided solely for implementation of chapter 4, Laws of
32 2011 (unemployment insurance program).

33 (5) (~~(\$60,000)~~) \$80,000 of the unemployment compensation
34 administration account--federal appropriation is provided solely for
35 costs associated with the initial review and evaluation of the training
36 benefits program as directed in section 15(2), chapter 4, Laws of 2011
37 (unemployment insurance program). The initial review shall be

1 developed by the joint legislative audit and review committee. This
2 appropriation is provided from funds made available to the state by
3 section 903 (d), (f), and (g) of the social security act (Reed act).

(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)
	<u>\$401,000</u>
General Fund--State Appropriation (FY 2013)	(\$410,000)
	<u>\$404,000</u>
General Fund--Federal Appropriation	\$31,000
General Fund--Private/Local Appropriation	(\$782,000)
	<u>\$775,000</u>
TOTAL APPROPRIATION	(\$1,625,000)
	<u>\$1,611,000</u>

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)
	<u>\$37,143,000</u>
General Fund--State Appropriation (FY 2013)	(\$46,226,000)
	<u>\$33,481,000</u>
General Fund--Federal Appropriation	(\$77,452,000)
	<u>\$100,000,000</u>
General Fund--Private/Local Appropriation	(\$16,691,000)
	<u>\$16,714,000</u>
Special Grass Seed Burning Research Account--State Appropriation	\$3,000
Reclamation Revolving Account--State Appropriation	(\$3,642,000)
	<u>\$4,123,000</u>
Flood Control Assistance Account--State Appropriation	(\$1,940,000)
	<u>\$1,929,000</u>
State Emergency Water Projects Revolving Account--State Appropriation	\$270,000
Waste Reduction/Recycling/Litter Control--State	

1	Appropriation	((\$11,478,000))
2		<u>\$9,712,000</u>
3	State Drought Preparedness Account--State	
4	Appropriation	((\$118,000))
5		<u>\$204,000</u>
6	State and Local Improvements Revolving Account	
7	(Water Supply Facilities)--State Appropriation	((\$423,000))
8		<u>\$422,000</u>
9	((Freshwater)) Aquatic Algae Control Account--State	
10	Appropriation	\$509,000
11	Water Rights Tracking System Account--State Appropriation	\$46,000
12	Site Closure Account--State Appropriation	((\$703,000))
13		<u>\$620,000</u>
14	Wood Stove Education and Enforcement Account--State	
15	Appropriation	((\$612,000))
16		<u>\$595,000</u>
17	Worker and Community Right-to-Know Account--State	
18	Appropriation	((\$1,668,000))
19		<u>\$1,655,000</u>
20	Water Rights Processing Account--State Appropriation	((\$136,000))
21		<u>\$135,000</u>
22	State Toxics Control Account--State Appropriation	((\$112,575,000))
23		<u>\$130,865,000</u>
24	State Toxics Control Account--Private/Local	
25	Appropriation	((\$968,000))
26		<u>\$964,000</u>
27	Local Toxics Control Account--State Appropriation	((\$27,390,000))
28		<u>\$26,157,000</u>
29	Water Quality Permit Account--State Appropriation	((\$37,748,000))
30		<u>\$38,814,000</u>
31	Underground Storage Tank Account--State	
32	Appropriation	((\$3,254,000))
33		<u>\$3,212,000</u>
34	Biosolids Permit Account--State Appropriation	((\$1,805,000))
35		<u>\$1,791,000</u>
36	Hazardous Waste Assistance Account--State	
37	Appropriation	((\$5,857,000))
38		<u>\$5,793,000</u>

1	Air Pollution Control Account--State Appropriation . . .	(((\$2,468,000))
2		<u>\$2,541,000</u>
3	Oil Spill Prevention Account--State Appropriation . . .	(((\$5,566,000))
4		<u>\$5,489,000</u>
5	Air Operating Permit Account--State Appropriation . . .	(((\$2,746,000))
6		<u>\$2,711,000</u>
7	Freshwater Aquatic Weeds Account--State	
8	Appropriation	(((\$1,700,000))
9		<u>\$1,698,000</u>
10	Oil Spill Response Account--State Appropriation	\$7,076,000
11	Metals Mining Account--State Appropriation	\$14,000
12	Water Pollution Control Revolving Account--State	
13	Appropriation	(((\$611,000))
14		<u>\$608,000</u>
15	Water Pollution Control Revolving Account--Federal	
16	Appropriation	(((\$2,517,000))
17		<u>\$2,501,000</u>
18	TOTAL APPROPRIATION	(((\$421,842,000))
19		<u>\$437,795,000</u>

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

22 (1) \$170,000 of the oil spill prevention account--state
23 appropriation is provided solely for a contract with the University of
24 Washington's sea grant program to continue an educational program
25 targeted to small spills from commercial fishing vessels, ferries,
26 cruise ships, ports, and marinas.

27 (2) Pursuant to RCW 43.135.055, the department is authorized to
28 increase the following fees as necessary to meet the actual costs of
29 conducting business and the appropriation levels in this section:
30 Wastewater discharge permit, not more than 4.34 percent in fiscal year
31 2012 and 4.62 percent in fiscal year 2013; biosolids permit fee, not
32 more than 10 percent during the biennium; and air contaminate source
33 registration fee, not more than 36 percent during the biennium;
34 agricultural burning acreage and pile burning fees, not more than 25
35 percent and 100 percent respectively, in fiscal year 2013; and dam
36 safety and inspection fees, not more than 35 percent in fiscal year
37 2012 and 4.62 percent in fiscal year 2013. Any fee increase

1 implemented to offset general fund--state reductions in the 2011-2013
2 fiscal biennium may be made effective on or before July 1, 2012.

3 (3) If Substitute House Bill No. 1294 (Puget Sound corps) is not
4 enacted by June 30, 2011, \$322,000 of the general fund--state
5 appropriation for fiscal year 2012 and \$322,000 of the general fund--
6 state appropriation for fiscal year 2013 shall be transferred to the
7 department of natural resources.

8 (4) \$463,000 of the state toxics control account--state
9 appropriation is provided solely for implementation of Engrossed Second
10 Substitute House Bill No. 1186 (state's oil spill program). If the
11 bill is not enacted by June 30, 2011, the amount provided in this
12 subsection shall lapse.

13 (5) Pursuant to RCW 70.93.180(5), the appropriations in this
14 section from the waste reduction, recycling, and litter control account
15 shall only be expended on activities listed under RCW 70.93.180(1) (a)
16 and (b), and the department shall not expend appropriations on RCW
17 70.93.180(1)(c). The department may not spend waste reduction,
18 recycling, and litter control account funds to support the following
19 activities: The beyond waste plan, work on national solid waste
20 recycling issues, work on construction and demolition recycling and
21 green building alternatives, education programs including the green
22 schools initiative, and management of the 1-800-recycle hotline and
23 database on school awards. Waste reduction, recycling, and litter
24 account control funds must be prioritized to support litter pickup
25 using correctional crews, regulatory programs, and technical assistance
26 to local governments.

27 (6) The department shall make every possible effort through its
28 existing statutory authorities to obtain federal funding for public
29 participation grants regarding the Hanford nuclear reservation and
30 associated properties and facilities. Such federal funding shall not
31 limit the total state funding authorized under this section for public
32 participation grants made pursuant to RCW 70.105D.070(5), but the
33 amount of any individual grant from such federal funding shall be
34 offset against any grant award amount to an individual grantee from
35 state funds under RCW 70.105D.070(5).

36 (7) The department shall review its water rights application review
37 procedures to simplify the procedures, eliminate unnecessary steps, and
38 decrease the time required to issue decisions. The department shall

1 implement changes to improve water rights processing for which it has
2 current administrative authority. The department shall report on
3 reforms implemented and efficiencies achieved as demonstrated through
4 enhanced permit processing to the appropriate committees of the
5 legislature on December 1, 2011, and October 1, 2012.

6 (a) The department shall consult with key stakeholders on statutory
7 barriers to efficient water rights processing and effective water
8 management, including identification of obsolete, confusing, or
9 conflicting statutory provisions. The department shall report
10 stakeholder recommendations to appropriate committees of the
11 legislature by December 1, 2011, and October 1, 2012.

12 (b) \$500,000 of the general fund--state appropriation for fiscal
13 year 2013 is provided solely for processing water right permit
14 applications only if the department of ecology issues at least five
15 hundred water right decisions in fiscal year 2012, and if the
16 department of ecology does not issue at least five hundred water right
17 decisions in fiscal year 2012 the amount provided in this subsection
18 shall lapse and remain unexpended. The department of ecology shall
19 submit a report to the office of financial management and the state
20 treasurer by June 30, 2012, that documents whether five hundred water
21 right decisions were issued in fiscal year 2012. For the purposes of
22 this subsection, applications that are voluntarily withdrawn by an
23 applicant do not count towards the five hundred water right decision
24 requirement. For the purposes of water budget-neutral requests under
25 chapter 173-539A WAC, multiple domestic connections authorized within
26 a single water budget-neutral decision are considered one decision for
27 the purposes of this subsection.

28 (c) The department shall maintain an ongoing accounting of water
29 right applications received and acted on and shall post that
30 information to the department's internet site.

31 (8) \$1,075,000 of the general fund--state appropriation for fiscal
32 year 2012 and \$1,075,000 of the general fund--state appropriation for
33 fiscal year 2013 are provided solely for processing the backlog of
34 pending water rights permit applications in the water resources
35 program.

36 (9) In accordance with RCW 43.135.055, the department is approved
37 to adopt fees set forth in and previously authorized by RCW 70.94.151,
38 gasoline vapor registration fee.

1 (10) Pursuant to House Bill No. 2304 (low-level waste), the
2 appropriations in this section for the low-level radioactive waste site
3 use permit program are for fiscal year 2012. Appropriations for fiscal
4 year 2013 are contained in section 219 of this act.

5 (11) Pursuant to RCW 90.16.090(2), the appropriations in this
6 section from the reclamation account--state appropriation shall be
7 expended for the activities listed in RCW 90.16.090(1), and the
8 expenditures need not be proportional to fee revenue sources.

9 (12) \$77,000 of the general fund--state appropriation for fiscal
10 year 2013 is provided solely for the implementation of Engrossed Second
11 Substitute Senate Bill No. 5343 (anaerobic digesters). If the bill is
12 not enacted by June 30, 2012, the amount provided in this subsection
13 shall lapse.

14 (13) \$50,000 of the state toxics control account--state
15 appropriation is provided solely to fulfill technical assistance duties
16 prescribed in Senate Bill No. 6120 (children's safe products) or House
17 Bill No. 2821 (children's safe products). If neither bill is enacted
18 by June 30, 2012, the amount provided in this subsection shall lapse.

19 (14) \$1,000,000 of the state toxics control account--state
20 appropriation is for the department to provide technical training
21 regarding the benefits of low-impact development including, but not
22 limited to, when the use of low-impact development is appropriate and
23 feasible, and the design, installation, maintenance, and best practices
24 of low-impact development. The department will consult with Washington
25 State University extension low-impact development technical center and
26 others in the development of the low-impact technical training. As
27 appropriate, the department may contract with the Washington State
28 University extension low-impact development technical center, private
29 sector vendors, associations, and others to deliver the technical
30 training. The technical training must be provided free of cost to
31 phase II permittees and the private development community including
32 builders, engineers, and other industry professionals. The training
33 must be sequenced geographically and provided in time for local
34 jurisdictions to comply with RCW 90.48.260 and 36.70A.130(5).

35 (15) \$188,000 of the general fund--state appropriation for fiscal
36 year 2013 is provided solely for the implementation of Second Engrossed
37 Substitute Senate Bill No. 6406 (state natural resources). If the bill

1 is not enacted by June 30, 2012, the amount provided in this subsection
2 shall lapse.

3 **Sec. 303.** 2011 2nd sp.s. c 9 s 303 (uncodified) is amended to read
4 as follows:

5 **FOR THE STATE PARKS AND RECREATION COMMISSION**

6	General Fund--State Appropriation (FY 2012)	\$8,955,000
7	General Fund--State Appropriation (FY 2013)	\$8,379,000
8	General Fund--Federal Appropriation	\$5,905,000
9	Winter Recreation Program Account--State	
10	Appropriation	(\$1,761,000)
11		<u>\$1,759,000</u>
12	ORV and Nonhighway Vehicle Account--State Appropriation . . .	\$224,000
13	Snowmobile Account--State Appropriation	(\$4,848,000)
14		<u>\$4,844,000</u>
15	Aquatic Lands Enhancement Account--State	
16	Appropriation	(\$363,000)
17		<u>\$4,363,000</u>
18	Parks Renewal and Stewardship Account--State	
19	Appropriation	(\$116,087,000)
20		<u>\$106,505,000</u>
21	Parks Renewal and Stewardship Account--Private/Local	
22	Appropriation	\$300,000
23	TOTAL APPROPRIATION	(\$146,822,000)
24		<u>\$141,234,000</u>

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

27 (1) \$8,876,000 of the general fund--state appropriation for fiscal
28 year 2012 (~~and~~), \$8,300,000 of the general fund--state appropriation
29 for fiscal year 2013, and \$4,000,000 of the aquatic lands enhancement
30 account--state appropriation are provided solely to operate and
31 maintain state parks as the commission implements a new fee structure.
32 The goal of this structure is to make the parks system self-supporting.
33 By August 1, 2012, state parks must submit a report to the office of
34 financial management detailing its progress toward this goal and
35 outlining any additional statutory changes needed for successful
36 implementation.

1 (2) \$79,000 of the general fund--state appropriation for fiscal
2 year 2012 and \$79,000 of the general fund--state appropriation for
3 fiscal year 2013 are provided solely for a grant for the operation of
4 the Northwest avalanche center.

5 (3) (~~(\$53,928,000)~~) \$44,528,000 of the parks renewal and
6 stewardship account--state appropriation is provided solely for
7 implementation of Second Substitute Senate Bill No. 5622 (state land
8 recreation access). If the bill is not enacted by June 30, 2011, the
9 amount provided in this subsection shall lapse.

10 (4) Prior to closing any state park, the commission must notify all
11 affected local governments and relevant nonprofit organizations of the
12 intended closure and provide an opportunity for the notified local
13 governments and nonprofit organizations to elect to acquire, or enter
14 into, a maintenance and operating contract with the commission that
15 would allow the park to remain open.

16 (5) The state parks and recreation commission, in cooperation with
17 the Fort Worden lifelong learning center public development authority
18 authorized under RCW 35.21.730 shall provide a report to the governor
19 and appropriate committees of the legislature no later than October 15,
20 2012, to create a lifelong learning center at Fort Worden state park.
21 This plan shall support and be based upon the Fort Worden state park
22 long-range plan adopted by the state parks and recreation commission in
23 September 2008. The report shall include a business and governance
24 plan and supporting materials that provide options and recommendations
25 on the long-term governance of Fort Worden state park, including
26 building maintenance and restoration. While the commission may
27 transfer full or partial operations to the public development authority
28 the state shall retain title to the property. The state parks and
29 recreation commission and the public development authority will agree
30 on the scope and content of the report including the business and
31 governance plan. In preparing this report the state parks and
32 recreation commission and the public development authority shall
33 provide ample opportunity for the public and stakeholders to
34 participate in the development of the business and governance plan.
35 The state parks and recreation commission shall review the report and
36 if it is consistent with the 2008 Fort Worden state park long-range
37 plan shall take action on a long-term governance and business plan no
38 later than December 31, 2012.

1 (6) Within the appropriations contained in this section, the
2 commission shall review the removal of trees from Brooks memorial state
3 park that have been killed or damaged by fire in order to determine the
4 recovery value from the sale of any timber that is surplus to the needs
5 of the park. The commission shall remove such trees, if the commission
6 determines that the recovery value from the sale of any timber is at
7 least cost neutral and the removal is in a manner consistent with RCW
8 79A.05.035.

9 **Sec. 304.** 2011 2nd sp.s. c 9 s 304 (uncodified) is amended to read
10 as follows:

11 **FOR THE RECREATION AND CONSERVATION FUNDING BOARD**

12	General Fund--State Appropriation (FY 2012)	((\$954,000))
13		<u>\$898,000</u>
14	General Fund--State Appropriation (FY 2013)	((\$973,000))
15		<u>\$823,000</u>
16	General Fund--Federal Appropriation	((\$3,299,000))
17		<u>\$3,295,000</u>
18	General Fund--Private/Local Appropriation	((\$274,000))
19		<u>\$24,000</u>
20	Aquatic Lands Enhancement Account--State Appropriation	\$278,000
21	Vessel Response Account--State Appropriation	\$100,000
22	Firearms Range Account--State Appropriation	\$37,000
23	Recreation Resources Account--State Appropriation	((\$2,874,000))
24		<u>\$2,869,000</u>
25	NOVA Program Account--State Appropriation	\$900,000
26	TOTAL APPROPRIATION	((\$9,689,000))
27		<u>\$9,224,000</u>

28 The appropriations in this section are subject to the following
29 conditions and limitations: \$40,000 of the general fund--federal
30 appropriation, \$24,000 of the general fund--private/local
31 appropriation, \$100,000 of the vessel response account--state
32 appropriation, and \$12,000 of the recreation resources account--state
33 appropriation are provided solely for House Bill No. 1413 (invasive
34 species council). If the bill is not enacted by June 30, 2011, the
35 amounts provided in this subsection shall lapse.

1 **Sec. 305.** 2011 2nd sp.s. c 9 s 305 (uncodified) is amended to read
2 as follows:

3 **FOR THE ENVIRONMENTAL AND LAND USE HEARINGS OFFICE**

4	General Fund--State Appropriation (FY 2012)	(((\$2,308,000)))
5		<u>\$2,153,000</u>
6	General Fund--State Appropriation (FY 2013)	(((\$2,275,000)))
7		<u>\$2,020,000</u>
8	TOTAL APPROPRIATION	(((\$4,583,000)))
9		<u>\$4,173,000</u>

10 **Sec. 306.** 2011 2nd sp.s. c 9 s 306 (uncodified) is amended to read
11 as follows:

12 **FOR THE CONSERVATION COMMISSION**

13	General Fund--State Appropriation (FY 2012)	(((\$6,789,000)))
14		<u>\$6,785,000</u>
15	General Fund--State Appropriation (FY 2013)	(((\$6,792,000)))
16		<u>\$6,424,000</u>
17	General Fund--Federal Appropriation	\$1,301,000
18	TOTAL APPROPRIATION	(((\$14,882,000)))
19		<u>\$14,510,000</u>

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

22 (1) The conservation commission, in cooperation with all
23 conservation districts, will seek to minimize conservation district
24 overhead costs. These efforts may include consolidating conservation
25 districts.

26 (2) \$122,000 of the general fund--federal appropriation is provided
27 solely for Engrossed Substitute House Bill No. 1886 (Ruckelshaus center
28 process). If the bill is not enacted by June 30, 2011, the amount
29 provided in this subsection shall lapse.

30 **Sec. 307.** 2011 2nd sp.s. c 9 s 307 (uncodified) is amended to read
31 as follows:

32 **FOR THE DEPARTMENT OF FISH AND WILDLIFE**

33	General Fund--State Appropriation (FY 2012)	(((\$34,695,000)))
34		<u>\$34,098,000</u>
35	General Fund--State Appropriation (FY 2013)	(((\$32,388,000)))
36		<u>\$23,618,000</u>

1	General Fund--Federal Appropriation	((\$105,717,000))
2		<u>\$105,481,000</u>
3	General Fund--Private/Local Appropriation	((\$57,025,000))
4		<u>\$56,923,000</u>
5	ORV and Nonhighway Vehicle Account--State Appropriation . . .	\$391,000
6	Aquatic Lands Enhancement Account--State	
7	Appropriation	((\$8,230,000))
8		<u>\$12,113,000</u>
9	Recreational Fisheries Enhancement--State	
10	Appropriation	((\$3,550,000))
11		<u>\$2,794,000</u>
12	Warm Water Game Fish Account--State Appropriation . . .	((\$3,051,000))
13		<u>\$2,841,000</u>
14	Eastern Washington Pheasant Enhancement Account--State	
15	Appropriation	\$849,000
16	Aquatic Invasive Species Enforcement Account--State	
17	Appropriation	\$204,000
18	Aquatic Invasive Species Prevention Account--State	
19	Appropriation	((\$719,000))
20		<u>\$848,000</u>
21	State Wildlife Account--State Appropriation	((\$100,424,000))
22		<u>\$100,742,000</u>
23	Special Wildlife Account--State Appropriation	((\$2,384,000))
24		<u>\$2,382,000</u>
25	Special Wildlife Account--Federal Appropriation	\$500,000
26	Special Wildlife Account--Private/Local Appropriation . . .	\$3,415,000
27	Wildlife Rehabilitation Account--State Appropriation	\$259,000
28	Regional Fisheries Enhancement Salmonid Recovery	
29	Account--Federal Appropriation	\$5,001,000
30	Oil Spill Prevention Account--State Appropriation	((\$887,000))
31		<u>\$883,000</u>
32	Oyster Reserve Land Account--State Appropriation	((\$921,000))
33		<u>\$919,000</u>
34	<u>Recreation Resources Account--State Appropriation</u>	<u>\$3,300,000</u>
35		
36	<u>Hydraulic Project Approval Account--State Appropriation . . .</u>	<u>\$337,000</u>
37	TOTAL APPROPRIATION	((\$360,610,000))
38		<u>\$357,900,000</u>

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

3 (1) \$294,000 of the aquatic lands enhancement account--state
4 appropriation is provided solely for the implementation of hatchery
5 reform recommendations defined by the hatchery scientific review group.

6 (2) \$355,000 of the general fund--state appropriation for fiscal
7 year 2012 and \$355,000 of the general fund--state appropriation for
8 fiscal year 2013 are provided solely for the department to continue a
9 pilot project with the Confederated Tribes of the Colville Reservation
10 to develop expanded recreational fishing opportunities on Lake Rufus
11 Woods and its northern shoreline and to conduct joint enforcement of
12 lake fisheries on Lake Rufus Woods and adjoining waters, pursuant to
13 state and tribal intergovernmental agreements developed under the
14 Columbia River water supply program. For the purposes of the pilot
15 project:

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

19 (b) The Colville Tribes have agreed to provide to holders of its
20 nontribal member fishing permits a means to demonstrate that fish in
21 their possession were lawfully taken in Lake Rufus Woods;

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

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

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

32 (3) Prior to submitting its 2013-2015 biennial operating and
33 capital budget request related to state fish hatcheries to the office
34 of financial management, the department shall contract with the
35 hatchery scientific review group (HSRG) to review this request. This
36 review shall: (a) Determine if the proposed requests are consistent
37 with HSRG recommendations; (b) prioritize the components of the
38 requests based on their contributions to protecting wild salmonid

1 stocks and meeting the recommendations of the HSRG; and (c) evaluate
2 whether the proposed requests are being made in the most cost effective
3 manner. The department shall provide a copy of the HSRG review to the
4 office of financial management with their agency budget proposal.

5 (4) \$400,000 of the general fund--state appropriation for fiscal
6 year 2012 and \$400,000 of the general fund--state appropriation for
7 fiscal year 2013 are provided solely for a state match to support the
8 Puget Sound nearshore partnership between the department and the U.S.
9 army corps of engineers.

10 (5) \$50,000 of the general fund--state appropriation for fiscal
11 year 2012 and \$50,000 of the general fund--state appropriation for
12 fiscal year 2013 are provided solely for removal of derelict gear in
13 Washington waters.

14 (6) \$100,000 of the eastern Washington pheasant enhancement
15 account--state appropriation is provided solely for the department to
16 support efforts to enhance permanent and temporary pheasant habitat on
17 public and private lands in Grant, Franklin, and Adams counties. The
18 department may support efforts by entities including conservation
19 districts, nonprofit organizations, and landowners, and must require
20 such entities to provide significant nonstate matching resources, which
21 may be in the form of funds, material, or labor.

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

27 (8) By September 1, 2011, the department shall update its
28 interagency agreement dated September 30, 2010, with the department of
29 natural resources concerning land management services on the department
30 of fish and wildlife's wildlife conservation and recreation lands. The
31 update shall include rates and terms for services.

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

36 (10) \$18,514,000 of the state wildlife account--state appropriation
37 is provided solely for the implementation of Second Substitute Senate

1 Bill No. 5385 (state wildlife account). If the bill is not enacted by
2 June 30, 2011, the amount provided in this subsection shall lapse.

3 (11) \$9,418,000 of the state wildlife account--state appropriation
4 is provided solely for the implementation of Second Substitute Senate
5 Bill No. 5622 (state land recreation access). If the bill is not
6 enacted by June 30, 2011, the amount provided in this subsection shall
7 lapse.

8 (12) \$50,000 of the state wildlife account--state appropriation is
9 provided solely for mitigation, claims, and assessment costs for injury
10 or loss of livestock caused by wolves, black bears, and cougars.

11 (13) \$552,000 of the aquatic lands enhancement account--state
12 appropriation is provided solely for increased law enforcement capacity
13 to reduce the occurrence of geoduck poaching and illegal harvest
14 activities. With these additional funds, the department shall deploy
15 two new fish and wildlife officers and one detective within Puget Sound
16 to address on-the-water and marketplace geoduck harvest compliance.

17 (14) \$337,000 of the hydraulic project approval--state
18 appropriation is provided solely for the implementation of Second
19 Engrossed Substitute Senate Bill No. 6406 (state natural resources).
20 If the bill is not enacted by June 30, 2012, the amount provided in
21 this subsection shall lapse.

22 **Sec. 308.** 2011 2nd sp.s. c 9 s 308 (uncodified) is amended to read
23 as follows:

24 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

25	General Fund--State Appropriation (FY 2012)	((\$31,324,000))
26		<u>\$30,907,000</u>
27	General Fund--State Appropriation (FY 2013)	((\$35,791,000))
28		<u>\$31,818,000</u>
29	General Fund--Federal Appropriation	((\$27,919,000))
30		<u>\$27,873,000</u>
31	General Fund--Private/Local Appropriation	((\$2,374,000))
32		<u>\$2,372,000</u>
33	Forest Development Account--State Appropriation	((\$41,717,000))
34		<u>\$46,254,000</u>
35	ORV and Nonhighway Vehicle Account--State	
36	Appropriation	((\$4,387,000))
37		<u>\$4,373,000</u>

1	Surveys and Maps Account--State Appropriation	((\$2,346,000))
2		<u>\$2,118,000</u>
3	Aquatic Lands Enhancement Account--State	
4	Appropriation	((\$7,224,000))
5		<u>\$69,000</u>
6	Resources Management Cost Account--State	
7	Appropriation	((\$82,097,000))
8		<u>\$90,131,000</u>
9	Surface Mining Reclamation Account--State	
10	Appropriation	((\$3,484,000))
11		<u>\$3,467,000</u>
12	Disaster Response Account--State Appropriation	\$5,000,000
13	Forest and Fish Support Account--State Appropriation	((\$7,933,000))
14		<u>\$9,784,000</u>
15	Aquatic Land Dredged Material Disposal Site	
16	Account--State Appropriation	\$838,000
17	Natural Resources Conservation Areas Stewardship	
18	Account--State Appropriation	\$34,000
19	State Toxics Control Account--State Appropriation	\$80,000
20	Air Pollution Control Account--State Appropriation	((\$669,000))
21		<u>\$540,000</u>
22	NOVA Program Account--State Appropriation	((\$639,000))
23		<u>\$635,000</u>
24	Derelict Vessel Removal Account--State Appropriation	\$1,761,000
25	Agricultural College Trust Management Account--State	
26	Appropriation	((\$1,854,000))
27		<u>\$1,848,000</u>
28	<u>Forest Practices Application Account--State Appropriation</u>	<u>\$780,000</u>
29	<u>Marine Resources Stewardship Trust Account--State</u>	
30	<u>Appropriation</u>	<u>\$2,100,000</u>
31	TOTAL APPROPRIATION	((\$257,471,000))
32		<u>\$262,782,000</u>

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

35 (1) \$710,000 of the general fund--state appropriation for fiscal
36 year 2012 and \$915,000 of the general fund--state appropriation for
37 fiscal year 2013 are provided solely for deposit into the agricultural

1 college trust management account and are provided solely to manage
2 approximately 70,700 acres of Washington State University's
3 agricultural college trust lands.

4 (2) \$8,030,000 of the general fund--state appropriation for fiscal
5 year 2012, (~~(\$10,037,000)~~) \$7,276,000 of the general fund--state
6 appropriation for fiscal year 2013, \$2,138,000 of the forest
7 development account--state appropriation for fiscal year 2013, and
8 \$5,000,000 of the disaster response account--state appropriation are
9 provided solely for emergency fire suppression. None of the general
10 fund and disaster response account amounts provided in this subsection
11 may be used to fund agency indirect and administrative expenses.
12 Agency indirect and administrative costs shall be allocated among the
13 agency's remaining accounts and appropriations. The department of
14 natural resources shall submit a quarterly report to the office of
15 financial management and the legislative fiscal committees detailing
16 information on current and planned expenditures from the disaster
17 response account. This work shall be done in coordination with the
18 military department.

19 ~~(3) (\$4,000,000 of the forest and fish support account--state~~
20 ~~appropriation is provided solely for adaptive management, monitoring,~~
21 ~~and participation grants to tribes. If federal funding for this~~
22 ~~purpose is reinstated, the amount provided in this subsection shall~~
23 ~~lapse.~~

24 ~~(4) \$333,000 of the forest and fish support account--state~~
25 ~~appropriation is provided solely for adaptive management, monitoring,~~
26 ~~and participation grants to nongovernmental organizations.~~

27 ~~(5) \$487,000))~~ \$4,500,000 of the forest and fish support account--
28 state appropriation is provided solely for outcome-based, performance
29 contracts with tribes to participate in the implementation of the
30 forest practices program. Contracts awarded in fiscal year 2013 may
31 only contain indirect costs set at or below the rate in the contracting
32 tribe's indirect cost agreement with the federal government. If
33 federal funding for this purpose is reinstated, the amount provided in
34 this subsection shall lapse.

35 (4) \$518,000 of the forest and fish support account--state
36 appropriation is provided solely for outcome-based performance
37 contracts with nongovernmental organizations to participate in the

1 implementation of the forest practices program. Contracts awarded in
2 fiscal year 2013 may only contain indirect cost set at or below a rate
3 of eighteen percent.

4 (5) During the 2011-2013 fiscal biennium, \$717,000 of the ((general
5 fund)) forest and fish support account--state appropriation is provided
6 solely to fund interagency agreements with the department of ecology
7 and the department of fish and wildlife as part of the adaptive
8 management process.

9 (6) \$1,000,000 of the general fund--federal appropriation and
10 \$1,000,000 of the forest and fish support account--state appropriation
11 are provided solely for continuing scientific studies already underway
12 as part of the adaptive management process. Funds may not be used to
13 initiate new studies unless the department secures new federal funding
14 for the adaptive management process.

15 (7) The department is authorized to increase the silviculture
16 burning permit fee in the 2011-2013 biennium by up to eighty dollars
17 plus fifty cents per ton for each ton of material burned in excess of
18 one hundred tons.

19 (8) \$440,000 of the state general fund--state appropriation for
20 fiscal year 2012 and \$440,000 of the state general fund--state
21 appropriation for fiscal year 2013 are provided solely for forest work
22 crews that support correctional camps and are contingent upon
23 continuing operations of Naselle youth camp.

24 (9) By September 1, 2011, the department shall update its
25 interagency agreement dated September 30, 2010, with the department of
26 fish and wildlife concerning land management services on the department
27 of fish and wildlife's wildlife conservation and recreation lands. The
28 update shall include rates and terms for services.

29 (10) In partnership with the department of ecology, the departments
30 shall deliver a report to the governor, the appropriate committees of
31 the legislature, and the forest practices board by September 1, 2012,
32 documenting forest practices adaptive management program reforms
33 implemented, or recommended, that streamline existing processes to
34 increase program efficiencies and effectiveness. The departments shall
35 collaborate with interested adaptive management program participants in
36 the development of the report.

37 (11)(a) \$2,100,000 of the marine resources stewardship account--
38 state appropriation is provided solely for the implementation of

1 chapter 252, Laws of 2012 (marine management planning) and 43.372 RCW.
2 The department will work with the marine interagency team, tribes, and
3 the Washington state marine resource committee to develop a spending
4 plan consistent with the priorities in chapter 252, Laws of 2012, for
5 conducting ecosystem assessments and mapping activities related to
6 marine resources use and potential economic development, developing
7 marine management plans for the state's coastal waters, and otherwise
8 aiding in the implementation of marine planning in the state. As
9 appropriate, the team shall develop a competitive process for projects
10 to be funded by the department in fiscal year 2013.

11 (b) The department, in consultation with the marine interagency
12 team, shall submit to the office of financial management and the
13 appropriate legislative committees by September 1, 2012, a prioritized
14 list of projects and activities for funding consideration through the
15 marine resources stewardship account in the 2013-2015 fiscal biennium.

16 (12)(a) Within existing funds and upon request of a qualifying
17 marina under (b) of this subsection, the department of natural
18 resources shall promptly redetermine annual rent for that marina
19 consistent with (c) of this subsection.

20 (b) A marina is a qualifying marina under this subsection if it:

21 (i) Is a for-profit entity occupying state-owned aquatic lands and
22 provides vessel moorage for a fee or includes marina slips within the
23 definition of a unit for condominium purposes, but is not a homeowner
24 association, a facility that provides moorage exclusively for floating
25 homes, a community boating club or yacht club, or a facility that is
26 entirely dedicated to providing public use and access under a no-fee
27 public use and access agreement;

28 (ii) Is located in the competitive marina market in either: The
29 largest city within the second most populous county of the state, as
30 determined by population on the effective date of this section; or a
31 county composed entirely of islands and adjacent areas of the mainland
32 to that county;

33 (iii) Has an upland value for purposes of rent determination under
34 RCW 79.105.240 that is more than forty-five percent above the average
35 of the upland values of all the marinas within a five-mile radius
36 centered around that marina; and

37 (iv) Meets one of the following criteria: Currently provides for
38 public access; must provide public access as a condition for future

1 approval of a substantial development permit under chapter 90.58 RCW;
2 or is owned by a person who also owns the upland tax parcel used in
3 conjunction with the lease area and who provides public access on the
4 upland parcel or must provide public access on the upland parcel as a
5 condition for future approval of a substantial development permit under
6 chapter 90.58 RCW.

7 (c) The upland value used to calculate the rent for a qualifying
8 marina under (b) of this subsection will be a value that is forty-five
9 percent above the average of the upland values, as determined under RCW
10 79.105.240, of all the marinas within a five-mile radius centered on
11 that marina.

12 (13) \$780,000 of the forest practices application account--state
13 appropriation, \$18,000 of the forest development account--state
14 appropriation, \$23,000 of the resources management cost account--state
15 appropriation, and \$2,000 of the surface mining reclamation account--
16 state appropriation are provided solely for the implementation of
17 Second Engrossed Substitute Senate Bill No. 6406 (state natural
18 resources). If the bill is not enacted by June 30, 2012, the amounts
19 provided in this subsection shall lapse.

20 **Sec. 309.** 2011 2nd sp.s. c 9 s 309 (uncodified) is amended to read
21 as follows:

22 **FOR THE DEPARTMENT OF AGRICULTURE**

23	General Fund--State Appropriation (FY 2012)	((\$15,484,000))
24		<u>\$15,434,000</u>
25	General Fund--State Appropriation (FY 2013)	((\$14,875,000))
26		<u>\$14,537,000</u>
27	General Fund--Federal Appropriation	((\$22,940,000))
28		<u>\$22,793,000</u>
29	General Fund--Private/Local Appropriation	\$190,000
30	Aquatic Lands Enhancement Account--State	
31	Appropriation	((\$2,553,000))
32		<u>\$2,544,000</u>
33	State Toxics Control Account--State Appropriation	((\$5,118,000))
34		<u>\$5,089,000</u>
35	Water Quality Permit Account--State Appropriation	\$60,000
36	Freshwater Aquatic Weeds Account--State Appropriation	\$280,000
37	TOTAL APPROPRIATION	((\$61,500,000))

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))
	<u>\$661,000</u>

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))
	<u>\$2,273,000</u>
General Fund--State Appropriation (FY 2013)	((\$2,424,000))
	<u>\$2,253,000</u>
General Fund--Federal Appropriation	((\$9,581,000))
	<u>\$12,428,000</u>
General Fund--Private/Local Appropriation	\$25,000
Aquatic Lands Enhancement Account--State	
Appropriation	\$493,000
State Toxics Control Account--State Appropriation	((\$665,000))
	<u>\$658,000</u>

1 TOTAL APPROPRIATION ((~~\$15,587,000~~))
2 \$18,130,000

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

5 (1) \$665,000 of the state toxics control account--state
6 appropriation is provided solely for activities that contribute to
7 Puget Sound protection and recovery, including provision of independent
8 advice and assessment of the state's oil spill prevention,
9 preparedness, and response programs, including review of existing
10 activities and recommendations for any necessary improvements. The
11 partnership may carry out this function through an existing committee,
12 such as the ecosystem coordination board or the leadership council, or
13 may appoint a special advisory council. Because this is a unique
14 statewide program, the partnership may invite participation from
15 outside the Puget Sound region.

16 (2) Within the amounts appropriated in this section, the Puget
17 Sound partnership shall facilitate an ongoing monitoring consortium to
18 integrate monitoring efforts for storm water, water quality, watershed
19 health, and other indicators to enhance monitoring efforts in Puget
20 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))
	<u>\$1,163,000</u>
General Fund--State Appropriation (FY 2013)	((\$1,307,000))
	<u>\$1,279,000</u>
Architects' License Account--State Appropriation	((\$1,084,000))
	<u>\$1,075,000</u>
Professional Engineers' Account--State Appropriation	((\$3,518,000))
	<u>\$3,490,000</u>
Real Estate Commission Account--State Appropriation	((\$9,833,000))
	<u>\$9,696,000</u>
Uniform Commercial Code Account--State Appropriation	((\$3,120,000))
	<u>\$3,105,000</u>
Real Estate Education Account--State Appropriation	\$276,000
Real Estate Appraiser Commission Account--State Appropriation	((\$1,687,000))
	<u>\$1,656,000</u>
Business and Professions Account--State Appropriation	((\$15,592,000))
	<u>\$15,609,000</u>
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))
	<u>\$38,053,000</u>

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

1 support the expenditures authorized in this section, consistent with
2 RCW 43.24.086.

3 (2) \$8,000 of the business and professions account--state
4 appropriation is provided solely to implement Substitute Senate Bill
5 No. 5574 (collection agencies).

6 (3) \$150,000 of the business and professions account--state
7 appropriation is provided solely to implement Substitute House Bill No.
8 2301 (mixed martial arts, boxing, martial arts, and wrestling).
9 Pursuant to RCW 43.135.055 and 43.24.086, the department is authorized
10 to charge and increase fees to defray the cost of administering the
11 program, consistent with RCW 67.08.105. If the bill is not enacted by
12 June 30, 2012, the amount provided in this subsection shall lapse.

13 (4) Pursuant to RCW 43.135.055 and 43.24.086, the department is
14 authorized to increase fees for the camping resort program. This
15 increase is necessary to support the expenditures authorized in this
16 section, consistent with RCW 19.105.411.

17 **Sec. 402.** 2011 2nd sp.s. c 9 s 402 (uncodified) is amended to read
18 as follows:

19 **FOR THE STATE PATROL**

20	General Fund--State Appropriation (FY 2012)	((\$37,352,000))
21		<u>\$35,395,000</u>
22	General Fund--State Appropriation (FY 2013)	((\$35,108,000))
23		<u>\$32,323,000</u>
24	General Fund--Federal Appropriation	\$16,081,000
25	General Fund--Private/Local Appropriation	\$3,021,000
26	Death Investigations Account--State Appropriation . . .	((\$5,551,000))
27		<u>\$5,537,000</u>
28	County Criminal Justice Assistance Account--State	
29	Appropriation	((\$3,215,000))
30		<u>\$3,207,000</u>
31	Municipal Criminal Justice Assistance Account--State	
32	Appropriation	((\$1,290,000))
33		<u>\$1,286,000</u>
34	Fire Service Trust Account--State Appropriation	\$131,000
35	Disaster Response Account--State Appropriation	\$8,002,000
36	Fire Service Training Account--State Appropriation . . .	((\$9,394,000))
37		<u>\$9,386,000</u>

1	Aquatic Invasive Species Enforcement Account--State	
2	Appropriation	\$54,000
3	State Toxics Control Account--State Appropriation	\$505,000
4	Fingerprint Identification Account--State	
5	Appropriation	((\$10,090,000))
6		<u>\$10,067,000</u>
7	Vehicle License Fraud Account--State Appropriation	((\$339,000))
8		<u>\$437,000</u>
9	TOTAL APPROPRIATION	((\$130,133,000))
10		<u>\$125,432,000</u>

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

13 (1) \$200,000 of the fire service training account--state
14 appropriation is provided solely for two FTEs in the office of the
15 state director of fire protection to exclusively review K-12
16 construction documents for fire and life safety in accordance with the
17 state building code. It is the intent of this appropriation to provide
18 these services only to those districts that are located in counties
19 without qualified review capabilities.

20 (2) \$8,000,000 of the disaster response account--state
21 appropriation is provided solely for Washington state fire service
22 resource mobilization costs incurred in response to an emergency or
23 disaster authorized under RCW 43.43.960 and 43.43.964. The state
24 patrol shall submit a report quarterly to the office of financial
25 management and the legislative fiscal committees detailing information
26 on current and planned expenditures from this account. This work shall
27 be done in coordination with the military department.

28 (3) \$400,000 of the fire service training account--state
29 appropriation is provided solely for the firefighter apprenticeship
30 training program.

31 (4) In accordance with RCW 43.43.742 the state patrol is authorized
32 to increase the following fees in fiscal year 2012 as necessary to meet
33 the actual costs of conducting business and the appropriation levels in
34 this section: Notary service fee.

35 (5) \$59,000 of the fingerprint identification account--state
36 appropriation is provided solely for implementation of Engrossed Second
37 Substitute House Bill No. 1776 (child care center licensing). If the

1 bill is not enacted by June 30, 2011, the amount provided in this
2 subsection shall lapse.

3 (6) \$6,000 of the fingerprint identification account--state
4 appropriation is provided solely for implementation of Engrossed
5 Substitute House Bill No. 1494 (vulnerable adult referrals). If the
6 bill is not enacted by June 30, 2011, the amount provided in this
7 subsection shall lapse.

8 (7) \$1,000 of the fingerprint identification account--state
9 appropriation is provided solely for implementation of Engrossed Senate
10 Bill No. 6296 (background checks). If the bill is not enacted by June
11 30, 2012, 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))
	<u>\$25,322,000</u>
General Fund--State Appropriation (FY 2013)	((\$22,502,000))
	<u>\$27,133,000</u>
General Fund--Federal Appropriation	((\$77,065,000))
	<u>\$77,011,000</u>
General Fund--Private/Local Appropriation	\$4,000,000
TOTAL APPROPRIATION	((\$128,973,000))
	<u>\$133,466,000</u>

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

(1) A maximum of ((~~\$16,139,000~~)) \$16,056,000 of the general fund--state appropriation for fiscal year 2012 and ((~~\$13,335,000~~)) \$14,875,000 of the general fund--state appropriation for fiscal year 2013 is for state agency operations.

(a) ((~~\$9,775,000~~)) \$9,692,000 of the general fund--state appropriation for fiscal year 2012 and ((~~\$8,532,000~~)) \$8,169,000 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.

1 (iii) Within the amounts provided, and in consultation with the
2 public school employees of Washington and the Washington school
3 counselors' association, the office of the superintendent of public
4 instruction shall develop a model policy that further defines the
5 recommended roles and responsibilities of graduation coaches and
6 identifies best practices for how graduation coaches work in
7 coordination with school counselors and in the context of a
8 comprehensive school guidance and counseling program.

9 (iv) The office of the superintendent of public instruction shall,
10 no later than August 1, 2011, establish a standard statewide definition
11 of unexcused absence. The definition shall be reported to the ways and
12 means committees of the senate and house of representatives for
13 legislative review in the 2012 legislative session. Beginning no later
14 than January 1, 2012, districts shall report to the office of the
15 superintendent of public instruction, daily student unexcused absence
16 data by school.

17 (b) \$1,964,000 of the general fund--state appropriation for fiscal
18 year 2012 and \$1,017,000 of the general fund--state appropriation for
19 fiscal year 2013 are provided solely for activities associated with the
20 implementation of new school finance systems required by chapter 236,
21 Laws of 2010 (K-12 education funding) and chapter 548, Laws of 2009
22 (state's education system), including technical staff, systems
23 reprogramming, and workgroup deliberations, including the quality
24 education council and the data governance working group.

25 (c) \$851,000 of the general fund--state appropriation for fiscal
26 year 2012 and \$851,000 of the general fund--state appropriation for
27 fiscal year 2013 are provided solely for the operation and expenses of
28 the state board of education, including basic education assistance
29 activities.

30 (d) \$1,744,000 of the general fund--state appropriation for fiscal
31 year 2012 and (~~(\$1,362,000)~~) \$1,387,000 of the general fund--state
32 appropriation for fiscal year 2013 are provided solely to the
33 professional educator standards board for the following:

34 (i) \$1,050,000 in fiscal year 2012 and \$1,050,000 in fiscal year
35 2013 are for the operation and expenses of the Washington professional
36 educator standards board; and

37 (ii) \$694,000 of the general fund--state appropriation for fiscal
38 year 2012 and \$312,000 of the general fund--state appropriation for

1 fiscal year 2013 are for conditional scholarship loans and mentor
2 stipends provided through the alternative routes to certification
3 program administered by the professional educator standards board,
4 including the pipeline for paraeducators program and the retooling to
5 teach conditional loan programs. Funding within this subsection
6 (1)(d)(ii) is also provided for the recruiting Washington teachers
7 program. Funding reductions in this subsection (1)(d)(ii) in the 2011-
8 2013 fiscal biennium are intended to be one-time; and

9 (iii) \$25,000 of the general fund--state appropriation for fiscal
10 year 2013 is provided solely for the professional educator standards
11 board to develop educator interpreter standards and identify
12 interpreter assessments that are available to school districts.
13 Interpreter assessments should meet the following criteria: (A)
14 Include both written assessment and performance assessment; (B) be
15 offered by a national organization of professional sign language
16 interpreters and transliterators; and (C) be designed to assess
17 performance in more than one sign system or sign language. The board
18 shall establish a performance standard, defining what constitutes a
19 minimum assessment result, for each educational interpreter assessment
20 identified. The board shall publicize the standards and assessments
21 for school district use.

22 (e) \$133,000 of the general fund--state appropriation for fiscal
23 year 2012 and \$133,000 of the general fund--state appropriation for
24 fiscal year 2013 are provided solely for the implementation of chapter
25 240, Laws of 2010, including staffing the office of equity and civil
26 rights.

27 (f) \$50,000 of the general fund--state appropriation for fiscal
28 year 2012 and \$50,000 of the general fund--state appropriation for
29 fiscal year 2013 are provided solely for the ongoing work of the
30 education opportunity gap oversight and accountability committee.

31 (g) \$45,000 of the general fund--state appropriation for fiscal
32 year 2012 and \$45,000 of the general fund--state appropriation for
33 fiscal year 2013 are provided solely for the implementation of chapter
34 380, Laws of 2009 (enacting the interstate compact on educational
35 opportunity for military children).

36 (h) \$159,000 of the general fund--state appropriation for fiscal
37 year 2012 and \$93,000 of the general fund--state appropriation for
38 fiscal year 2013 are provided solely for the implementation of chapter

1 185, Laws of 2011 (bullying prevention), which requires the office of
2 the superintendent of public instruction to convene an ongoing
3 workgroup on school bullying and harassment prevention. Within the
4 amounts provided, \$140,000 is for youth suicide prevention activities.

5 (i) \$1,227,000 of the general fund--state appropriation for fiscal
6 year 2012 and \$1,227,000 of the general fund--state appropriation for
7 fiscal year 2013 are provided solely for implementing a comprehensive
8 data system to include financial, student, and educator data, including
9 development and maintenance of the comprehensive education data and
10 research system (CEDARS).

11 (j) \$25,000 of the general fund--state appropriation for fiscal
12 year 2012 and \$25,000 of the general fund--state appropriation for
13 fiscal year 2013 are provided solely for project citizen, a program
14 sponsored by the national conference of state legislatures and the
15 center for civic education to promote participation in government by
16 middle school students.

17 (k) \$166,000 of the general fund--state appropriation for fiscal
18 year 2012 is provided solely for the implementation of chapter 192,
19 Laws of 2011 (school district insolvency). Funding is provided to
20 develop a clear legal framework and process for dissolution of a school
21 district.

22 (l) \$1,500,000 of the general fund--state appropriation for fiscal
23 year 2013 is provided solely for implementation of House Bill No. 2799
24 (collaborative schools). If such legislation is not enacted by June
25 30, 2012, the amount provided in this subsection shall lapse.

26 (m) \$128,000 of the general fund--state appropriation for fiscal
27 year 2013 is provided solely pursuant to Substitute House Bill No. 2254
28 (foster care outcomes). The office of the superintendent of public
29 instruction shall report on the implementation of the state's plan of
30 cross-system collaboration to promote educational stability and improve
31 education outcomes of foster youth. The first report is due December
32 1, 2012, and annually thereafter through 2015. If the bill is not
33 enacted by June 30, 2012, the amount provided in this subsection shall
34 lapse.

35 (n) \$250,000 of the general fund--state appropriation for fiscal
36 year 2013 is provided solely for implementation of House Bill No. 2337
37 (open K-12 education resources). If the bill is not enacted by June
38 30, 2012, the amount provided in this subsection shall lapse.

1 (2) \$9,267,000 of the general fund--state appropriation for fiscal
2 year 2012 and (~~\$9,167,000~~) \$12,267,000 of the general fund--state
3 appropriation for fiscal year 2013 are for statewide programs.

4 (a) HEALTH AND SAFETY

5 (i) \$2,541,000 of the general fund--state appropriation for fiscal
6 year 2012 and \$2,541,000 of the general fund--state appropriation for
7 fiscal year 2013 are provided solely for a corps of nurses located at
8 educational service districts, as determined by the superintendent of
9 public instruction, to be dispatched to the most needy schools to
10 provide direct care to students, health education, and training for
11 school staff.

12 (ii) \$50,000 of the general fund--state appropriation for fiscal
13 year 2012 and \$50,000 of the general fund--state appropriation for
14 fiscal year 2013 are provided solely for a nonviolence and leadership
15 training program provided by the institute for community leadership.

16 (b) TECHNOLOGY

17 \$1,221,000 of the general fund--state appropriation for fiscal year
18 2012 and \$1,221,000 of the general fund--state appropriation for fiscal
19 year 2013 are provided solely for K-20 telecommunications network
20 technical support in the K-12 sector to prevent system failures and
21 avoid interruptions in school utilization of the data processing and
22 video-conferencing capabilities of the network. These funds may be
23 used to purchase engineering and advanced technical support for the
24 network.

25 (c) GRANTS AND ALLOCATIONS

26 (i) \$675,000 of the general fund--state appropriation for fiscal
27 year 2012 and \$675,000 of the general fund--state appropriation for
28 fiscal year 2013 are provided solely for the Washington state achievers
29 scholarship program. The funds shall be used to support community
30 involvement officers that recruit, train, and match community volunteer
31 mentors with students selected as achievers scholars.

32 (ii) \$1,000,000 of the general fund--state appropriation for fiscal
33 year 2012 and \$1,000,000 of the general fund--state appropriation for
34 fiscal year 2013 are provided solely for contracting with a college
35 scholarship organization with expertise in conducting outreach to
36 students concerning eligibility for the Washington college bound
37 scholarship consistent with chapter 405, Laws of 2007.

1 (iii) \$2,808,000 of the general fund--state appropriation for
2 fiscal year 2012 and \$2,808,000 of the general fund--state
3 appropriation for fiscal year 2013 are provided solely for the
4 dissemination of the navigation 101 curriculum to all districts. The
5 funding shall support electronic student planning tools and software
6 for analyzing the impact of navigation 101 on student performance, as
7 well as grants to a maximum of one hundred school districts each year,
8 based on progress and need for the implementation of the navigation 101
9 program. The implementation grants shall be awarded to a cross-section
10 of school districts reflecting a balance of geographic and demographic
11 characteristics. Within the amounts provided, the office of the
12 superintendent of public instruction will create a navigation 101
13 accountability model to analyze the impact of the program.

14 (iv) \$337,000 of the general fund--state appropriation for fiscal
15 year 2012 and \$337,000 of the general fund--state appropriation for
16 fiscal year 2013 are provided solely for implementation of the building
17 bridges statewide program for comprehensive dropout prevention,
18 intervention, and reengagement strategies.

19 (v) \$135,000 of the general fund--state appropriation for fiscal
20 year 2012 and \$135,000 of the general fund--state appropriation for
21 fiscal year 2013 are provided solely for dropout prevention programs at
22 the office of the superintendent of public instruction, including the
23 jobs for America's graduates (JAG) program.

24 (vi) \$500,000 of the general fund--state appropriation for fiscal
25 year 2012 and (~~(\$400,000)~~) \$1,400,000 of the general fund--state
26 appropriation for fiscal year 2013 are provided solely for the
27 implementation of chapter 340, Laws of 2011 (assessment of students in
28 state-funded full-day kindergarten classrooms), including the
29 development and implementation of the Washington kindergarten inventory
30 of developing skills (WaKIDS). Of the amounts in this subsection,
31 \$1,000,000 of the fiscal year 2013 appropriation is for the
32 implementation of House Bill No. 2586 (kindergarten inventory). If the
33 bill is not enacted by June 30, 2012, this amount shall lapse.

34 (vii) \$2,000,000 of the general fund--state appropriation for
35 fiscal year 2013 is provided solely for an urban school turnaround
36 initiative as follows:

37 (A) The office of the superintendent of public instruction shall
38 select two schools in the largest urban school district in the state.

1 The selected schools shall be among the state's lowest-performing
2 schools; be located within the same community and form a continuum of
3 education for the students in that community; have significant
4 educational achievement gaps; and include a mix of elementary, middle,
5 or high schools.

6 (B) The office shall allocate the funds under this subsection (vii)
7 to the school district to be used exclusively in the selected schools.
8 The district may not charge an overhead or indirect fee for the
9 allocated funds or supplant other state, federal, or local funds in the
10 selected schools. The school district shall use the funds for
11 intensive supplemental instruction, services, and materials in the
12 selected schools in the 2012-13 school year, including but not limited
13 to professional development for school staff; updated curriculum,
14 materials, and technology; extended learning opportunities for
15 students; reduced class size; summer enrichment activities;
16 school-based health clinics; and other research-based initiatives to
17 dramatically turn around the performance and close the achievement gap
18 in the schools. Priorities for the expenditure of the funds shall be
19 determined by the leadership and staff of each school.

20 (C) The office shall monitor the activities in the selected schools
21 and the expenditure of funds to ensure the intent of this subsection
22 (vii) is met, and submit a report to the legislature by December 1,
23 2013, including outcomes resulting from the urban school turnaround
24 initiative. The report submitted to the legislature must include a
25 comparison of student learning achievement in the selected schools with
26 schools of comparable demographics that have not participated in the
27 grant program.

28 (D) Funding provided in this subsection (vii) is intended to be
29 one-time.

30 (viii) \$100,000 of the general fund--state appropriation for fiscal
31 year 2013 is provided solely to subsidize advanced placement exam fees
32 and international baccalaureate class fees and exam fees for low-income
33 students. To be eligible for the subsidy, a student must be either
34 enrolled or eligible to participate in the federal free or reduced
35 price lunch program, and the student must have maximized the allowable
36 federal contribution. The office of the superintendent of public
37 instruction shall set the subsidy in an amount so that the advanced

1 placement exam fee does not exceed \$15.00 and the combined class and
2 exam fee for the international baccalaureate does not exceed \$14.50.

3 **Sec. 502.** 2011 2nd sp.s. c 9 s 502 (uncodified) is amended to read
4 as follows:

5 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL**
6 **APPORTIONMENT**

7	General Fund--State Appropriation (FY 2012)	((\$5,253,769,000))
8		<u>\$5,241,233,000</u>
9	General Fund--State Appropriation (FY 2013)	((\$5,205,868,000))
10		<u>\$5,170,854,000</u>
11	General Fund--Federal Appropriation	((\$22,078,000))
12		<u>\$22,327,000</u>
13	TOTAL APPROPRIATION	((\$10,481,715,000))
14		<u>\$10,434,414,000</u>

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

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

20 (b) For the 2011-12 and 2012-13 school years, the superintendent
21 shall allocate general apportionment funding to school districts as
22 provided in the funding formulas and salary schedules in sections 502
23 and 503 of this act, excluding (c) of this subsection.

24 (c) From July 1, 2011 to August 31, 2011, the superintendent shall
25 allocate general apportionment funding to school districts programs as
26 provided in sections 502 and 504, chapter 564, Laws of 2009, as amended
27 through sections 1402 and 1403 of this act.

28 (d) The appropriations in this section include federal funds
29 provided through section 101 of P.L. No. 111-226 (education jobs fund),
30 which shall be used to support general apportionment program funding.
31 In distributing general apportionment allocations under this section
32 for the 2011-12 school year, the superintendent shall include the
33 additional amount of ((~~\$3,078,000~~)) \$3,327,000 allocated by the United
34 States department of education on September 16, 2011, provided through
35 101 of P.L. No. 111-226 (education jobs fund) as part of each
36 district's general apportionment allocation.

1 (e) The enrollment of any district shall be the annual average
2 number of full-time equivalent students and part-time students as
3 provided in RCW 28A.150.350, enrolled on the fourth day of school in
4 September and on the first school day of each month October through
5 June, including students who are in attendance pursuant to RCW
6 28A.335.160 and 28A.225.250 who do not reside within the servicing
7 school district. Any school district concluding its basic education
8 program in May must report the enrollment of the last school day held
9 in May in lieu of a June enrollment.

10 (2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

11 Allocations for certificated instructional staff salaries for the
12 2011-12 and 2012-13 school years are determined using formula-generated
13 staff units calculated pursuant to this subsection.

14 (a) Certificated instructional staff units, as defined in RCW
15 28A.150.410, shall be allocated to reflect the minimum class size
16 allocations, requirements, and school prototypes assumptions as
17 provided in RCW 28A.150.260. The superintendent shall make allocations
18 to school districts based on the district's annual average full-time
19 equivalent student enrollment in each grade.

20 (b) Additional certificated instructional staff units provided in
21 this subsection (2) that exceed the minimum requirements in RCW
22 28A.150.260 are enhancements outside the program of basic education,
23 except as otherwise provided in this section.

24 (c)(i) The superintendent shall base allocations for each level of
25 prototypical school on the following regular education average class
26 size of full-time equivalent students per teacher, except as provided
27 in (c)(ii) of this subsection:

28 General education class size:

29 Grade	RCW 28A.150.260
30 Grades K-3	25.23
31 Grade 4	27.00
32 Grades 5-6	27.00
33 Grades 7-8	28.53
34 Grades 9-12	28.74

1 The superintendent shall base allocations for career and technical
2 education (CTE) and skill center programs average class size as
3 provided in RCW 28A.150.260.

4 (ii) For each level of prototypical school at which more than fifty
5 percent of the students were eligible for free and reduced-price meals
6 in the prior school year, the superintendent shall allocate funding
7 based on the following average class size of full-time equivalent
8 students per teacher:

9 General education class size in high poverty
10 school:

11	Grades K-3	.....	24.10
12	Grade 4	.....	27.00
13	Grades 5-6	.....	27.00
14	Grades 7-8	.....	28.53
15	Grades 9-12	.....	28.74

16 (iii) Pursuant to RCW 28A.150.260(4)(a), the assumed teacher
17 planning period, expressed as a percentage of a teacher work day, is
18 13.42 percent in grades K-6, and 16.67 percent in grades 7-12; and

19 (iv) Laboratory science, advanced placement, and international
20 baccalaureate courses are funded at the same class size assumptions as
21 general education schools in the same grade; and

22 (d)(i) Funding for teacher librarians, school nurses, social
23 workers, school psychologists, and guidance counselors is allocated
24 based on the school prototypes as provided in RCW 28A.150.260 and is
25 considered certificated instructional staff, except as provided in
26 (d)(ii) of this subsection.

27 (ii) Students in approved career and technical education and skill
28 center programs generate certificated instructional staff units to
29 provide for the services of teacher librarians, school nurses, social
30 workers, school psychologists, and guidance counselors at the following
31 combined rate per 1000 students:

32	Career and Technical Education	
33	students	2.02 per 1000 student FTE's
34	Skill Center students	2.36 per 1000 student FTE's

1 (3) ADMINISTRATIVE STAFF ALLOCATIONS

2 (a) Allocations for school building-level certificated
3 administrative staff salaries for the 2011-12 and 2012-13 school years
4 for general education students are determined using the formula-
5 generated staff units provided in RCW 28A.150.260, and adjusted based
6 on a district's annual average full-time equivalent student enrollment
7 in each grade.

8 (b) Students in approved career and technical education and skill
9 center programs generate certificated school building-level
10 administrator staff units at per student rates that exceed the general
11 education rate in (a) of this subsection by the following percentages:

12 Career and Technical Education students 2.5 percent
13 Skill Center students 19.75 percent

14 (4) CLASSIFIED STAFF ALLOCATIONS

15 Allocations for classified staff units providing school building-
16 level and district-wide support services for the 2011-12 and 2012-13
17 school years are determined using the formula-generated staff units
18 provided in RCW 28A.150.260, and adjusted based on each district's
19 annual average full-time equivalent student enrollment in each grade.

20
21 (5) CENTRAL OFFICE ALLOCATIONS

22 In addition to classified and administrative staff units allocated
23 in subsections (3) and (4) of this section, classified and
24 administrative staff units are provided for the 2011-12 and 2012-13
25 school year for the central office administrative costs of operating a
26 school district, at the following rates:

27 (a) The total central office staff units provided in this
28 subsection (5) are calculated by first multiplying the total number of
29 eligible certificated instructional, certificated administrative, and
30 classified staff units providing school-based or district-wide support
31 services, as identified in RCW 28A.150.260(6)(b), by 5.3 percent.

32 (b) Of the central office staff units calculated in (a) of this
33 subsection, 74.53 percent are allocated as classified staff units, as
34 generated in subsection (4) of this section, and 25.47 percent shall be
35 allocated as administrative staff units, as generated in subsection (3)
36 of this section.

37 (c) Staff units generated as enhancements outside the program of
38 basic education to the minimum requirements of RCW 28A.150.260, and

1 staff units generated by skill center and career-technical students,
2 are excluded from the total central office staff units calculation in
3 (a) of this subsection.

4 (d) For students in approved career-technical and skill center
5 programs, central office classified units are allocated at the same
6 staff unit per student rate as those generated for general education
7 students of the same grade in this subsection (5), and central office
8 administrative staff units are allocated at staff unit per student
9 rates that exceed the general education rate established for students
10 in the same grade in this subsection (5) by 3.69 percent for career and
11 technical education students, and 21.92 percent for skill center
12 students.

13 (6) FRINGE BENEFIT ALLOCATIONS

14 Fringe benefit allocations shall be calculated at a rate of 16.33
15 percent in the 2011-12 school year and (~~16.33~~) 16.34 percent in the
16 2012-13 school year for certificated salary allocations provided under
17 subsections (2), (3), and (5) of this section, and a rate of 18.73
18 percent in the 2011-12 school year and 18.73 percent in the 2012-13
19 school year for classified salary allocations provided under
20 subsections (4) and (5) of this section.

21
22 (7) INSURANCE BENEFIT ALLOCATIONS

23 Insurance benefit allocations shall be calculated at the
24 maintenance rate specified in section 504 of this act, based on the
25 number of benefit units determined as follows:

26 (a) The number of certificated staff units determined in
27 subsections (2), (3), and (5) of this section; and

28 (b) The number of classified staff units determined in subsections
29 (4) and (5) of this section multiplied by 1.152. This factor is
30 intended to adjust allocations so that, for the purposes of
31 distributing insurance benefits, full-time equivalent classified
32 employees may be calculated on the basis of 1440 hours of work per
33 year, with no individual employee counted as more than one full-time
34 equivalent.

35 (8) MATERIALS, SUPPLIES, AND OPERATING COSTS (MSOC) ALLOCATIONS

36 Funding is allocated per annual average full-time equivalent
37 student for the materials, supplies, and operating costs (MSOC)

1 incurred by school districts, consistent with the requirements of RCW
2 28A.150.260.

3 (a) MSOC funding for general education students are allocated at
4 the following per student rates:

5 MSOC RATES/STUDENT FTE

6 MSOC Component	7 2011-12	8 2012-13
	9 SCHOOL YEAR	SCHOOL YEAR
10 Technology	\$57.42	(\$58.17) <u>\$58.28</u>
11 Utilities and Insurance	\$156.03	(\$158.05) <u>\$158.37</u>
12 Curriculum and Textbooks	\$61.65	(\$62.45) <u>\$62.58</u>
13 Other Supplies and Library Materials	\$130.89	(\$132.59) <u>\$132.85</u>
14 Instructional Professional Development for Certificated 15 and Classified Staff	\$9.53	(\$9.66) <u>\$9.68</u>
16 Facilities Maintenance	\$77.30	(\$78.30) <u>\$78.46</u>
17 Security and Central Office	\$53.55	(\$54.25) <u>\$54.35</u>
18 TOTAL BASIC EDUCATION MSOC/STUDENT FTE	\$546.37	(\$553.47) <u>\$554.57</u>

19 (b) Students in approved skill center programs generate per student
20 FTE MSOC allocations which equal the rate for general education
21 students calculated in (a) of this subsection, multiplied by a factor
22 of 2.171.

23 (c) Students in approved exploratory and preparatory career and
24 technical education programs generate a per student MSOC allocation
25 that is equal to the rate for general education students calculated in
26 (a) of this subsection, multiplied by a factor of 2.442.

27 (d) Students in laboratory science courses generate per student FTE
28 MSOC allocations which equal the per student FTE rate for general
29 education students established in (a) of this subsection.

30 (9) SUBSTITUTE TEACHER ALLOCATIONS

31 For the 2011-12 and 2012-13 school years, funding for substitute
32 costs for classroom teachers is based on four (4) funded substitute
33 days per classroom teacher unit generated under subsection (2) of this
34 section, at a daily substitute rate of \$151.86.

1 (10) ALTERNATIVE LEARNING EXPERIENCE PROGRAM FUNDING

2 (a) Amounts provided in this section are adjusted to reflect
3 provisions of House Bill No. 2065 (allocation of funding for funding
4 for students enrolled in alternative learning experiences).

5 (b) The superintendent of public instruction shall require all
6 districts receiving general apportionment funding for alternative
7 learning experience (ALE) programs as defined in WAC 392-121-182 to
8 provide separate financial accounting of expenditures for the ALE
9 programs offered in district or with a provider, including but not
10 limited to private companies and multidistrict cooperatives, as well as
11 accurate, monthly headcount and FTE enrollment claimed for basic
12 education, including separate counts of resident and nonresident
13 students.

14 (11) VOLUNTARY FULL DAY KINDERGARTEN PROGRAMS

15 Funding in this section is sufficient to fund voluntary full day
16 kindergarten programs in qualifying high poverty schools, pursuant to
17 RCW 28A.150.220 and 28A.150.315. Each kindergarten student who enrolls
18 for the voluntary full-day program in a qualifying school shall count
19 as one-half of one full-time equivalent student for purpose of making
20 allocations under this section. Funding in this section provides full-
21 day kindergarten programs for 21 percent of kindergarten enrollment in
22 the 2011-12 school year, and 22 percent in the 2012-13 school year.
23 Funding priority shall be given to schools with the highest poverty
24 levels, as measured by prior year free and reduced price lunch
25 eligibility rates in each school. Funding in this section is
26 sufficient to fund voluntary full day kindergarten programs for July
27 and August of the 2010-11 school year.

28 (12) ADDITIONAL FUNDING FOR SMALL SCHOOL DISTRICTS AND REMOTE AND
29 NECESSARY PLANTS

30 For small school districts and remote and necessary school plants
31 within any district which have been judged to be remote and necessary
32 by the superintendent of public instruction, additional staff units are
33 provided to ensure a minimum level of staffing support. Additional
34 administrative and certificated instructional staff units provided to
35 districts in this subsection shall be reduced by the general education
36 staff units, excluding career and technical education and skills center

1 enhancement units, otherwise provided in subsections (2) through (5) of
2 this section on a per district basis.

3 (a) For districts enrolling not more than twenty-five average
4 annual full-time equivalent students in grades K-8, and for small
5 school plants within any school district which have been judged to be
6 remote and necessary by the superintendent of public instruction and
7 enroll not more than twenty-five average annual full-time equivalent
8 students in grades K-8:

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

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

19 (b) For specified enrollments in districts enrolling more than
20 twenty-five but not more than one hundred average annual full-time
21 equivalent students in grades K-8, and for small school plants within
22 any school district which enroll more than twenty-five average annual
23 full-time equivalent students in grades K-8 and have been judged to be
24 remote and necessary by the superintendent of public instruction:

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

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

31 (c) For districts operating no more than two high schools with
32 enrollments of less than three hundred average annual full-time
33 equivalent students, for enrollment in grades 9-12 in each such school,
34 other than alternative schools, except as noted in this subsection:

35 (i) For remote and necessary schools enrolling students in any
36 grades 9-12 but no more than twenty-five average annual full-time
37 equivalent students in grades K-12, four and one-half certificated

1 instructional staff units and one-quarter of a certificated
2 administrative staff unit;

3 (ii) For all other small high schools under this subsection, nine
4 certificated instructional staff units and one-half of a certificated
5 administrative staff unit for the first sixty average annual full-time
6 equivalent students, and additional staff units based on a ratio of
7 0.8732 certificated instructional staff units and 0.1268 certificated
8 administrative staff units per each additional forty-three and one-half
9 average annual full-time equivalent students;

10 (iii) Districts receiving staff units under this subsection shall
11 add students enrolled in a district alternative high school and any
12 grades nine through twelve alternative learning experience programs
13 with the small high school enrollment for calculations under this
14 subsection;

15 (d) For each nonhigh school district having an enrollment of more
16 than seventy annual average full-time equivalent students and less than
17 one hundred eighty students, operating a grades K-8 program or a grades
18 1-8 program, an additional one-half of a certificated instructional
19 staff unit;

20 (e) For each nonhigh school district having an enrollment of more
21 than fifty annual average full-time equivalent students and less than
22 one hundred eighty students, operating a grades K-6 program or a grades
23 1-6 program, an additional one-half of a certificated instructional
24 staff unit;

25 (f)(i) For enrollments generating certificated staff unit
26 allocations under (a) through (e) of this subsection, one classified
27 staff unit for each 2.94 certificated staff units allocated under such
28 subsections;

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

33 (g) School districts receiving additional staff units to support
34 small student enrollments and remote and necessary plants under
35 subsection (12) of this section shall generate additional MSOC
36 allocations consistent with the nonemployee related costs (NERC)
37 allocation formula in place for the 2010-11 school year as provided

1 section 502, chapter 37, Laws of 2010 1st sp. sess. (2010 supplemental
2 budget), adjusted annually for inflation.

3 (13) Any school district board of directors may petition the
4 superintendent of public instruction by submission of a resolution
5 adopted in a public meeting to reduce or delay any portion of its basic
6 education allocation for any school year. The superintendent of public
7 instruction shall approve such reduction or delay if it does not impair
8 the district's financial condition. Any delay shall not be for more
9 than two school years. Any reduction or delay shall have no impact on
10 levy authority pursuant to RCW 84.52.0531 and local effort assistance
11 pursuant to chapter 28A.500 RCW.

12 (14) The superintendent may distribute funding for the following
13 programs outside the basic education formula during fiscal years 2012
14 and 2013 as follows:

15 (a) \$589,000 of the general fund--state appropriation for fiscal
16 year 2012 and (~~(\$597,000)~~) \$598,000 of the general fund--state
17 appropriation for fiscal year 2013 are provided solely for fire
18 protection for school districts located in a fire protection district
19 as now or hereafter established pursuant to chapter 52.04 RCW.

20 (b) \$436,000 of the general fund--state appropriation for fiscal
21 year 2012 and \$436,000 of the general fund--state appropriation for
22 fiscal year 2013 are provided solely for programs providing skills
23 training for secondary students who are enrolled in extended day
24 school-to-work programs, as approved by the superintendent of public
25 instruction. The funds shall be allocated at a rate not to exceed \$500
26 per full-time equivalent student enrolled in those programs.

27 (c) Funding in this section is sufficient to fund adjustments to
28 school districts' allocations resulting from the implementation of the
29 prototypical school funding formula, pursuant to chapter 236, Laws of
30 2010 (K-12 education funding). The funding in this section is intended
31 to hold school districts harmless in total for funding changes
32 resulting from conversion to the prototypical school formula in the
33 general apportionment program, the learning assistance program, the
34 transitional bilingual program, and the highly capable program, after
35 adjustment for changes in enrollment and other caseload adjustments.

36 (15) \$208,000 of the general fund--state appropriation for fiscal
37 year 2012 and \$211,000 of the general fund--state appropriation for
38 fiscal year 2013 are provided solely for school district emergencies as

1 certified by the superintendent of public instruction. At the close of
2 the fiscal year the superintendent of public instruction shall report
3 to the office of financial management and the appropriate fiscal
4 committees of the legislature on the allocations provided to districts
5 and the nature of the emergency.

6 (16) Funding in this section is sufficient to fund a maximum of
7 1.6 FTE enrollment for skills center students pursuant to chapter 463,
8 Laws of 2007.

9 (17) Beginning in the 2011-12 school year, students participating
10 in running start programs may be funded up to a combined maximum
11 enrollment of 1.2 FTE including school district and institution of
12 higher education enrollment. In calculating the combined 1.2 FTE, the
13 office of the superintendent of public instruction may average the
14 participating student's September through June enrollment to account
15 for differences in the start and end dates for courses provided by the
16 high school and higher education institution. Additionally, the office
17 of the superintendent of public instruction, in consultation with the
18 state board for community and technical colleges, the higher education
19 coordinating board, and the education data center, shall annually track
20 and report to the fiscal committees of the legislature on the combined
21 FTE experience of students participating in the running start program,
22 including course load analyses at both the high school and community
23 and technical college system.

24 (18) If two or more school districts consolidate and each district
25 was receiving additional basic education formula staff units pursuant
26 to subsection (12) of this section, the following apply:

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

31 (b) For the fourth through eighth school years following
32 consolidation, the difference between the basic education formula staff
33 units received by the districts for the school year prior to
34 consolidation and the basic education formula staff units after
35 consolidation pursuant to subsection (12) of this section shall be
36 reduced in increments of twenty percent per year.

37 (19)(a) Indirect cost charges by a school district to approved
38 career and technical education middle and secondary programs shall not

1 exceed 15 percent of the combined basic education and career and
2 technical education program enhancement allocations of state funds.
3 Middle and secondary career and technical education programs are
4 considered separate programs for funding and financial reporting
5 purposes under this section.

6 (b) Career and technical education program full-time equivalent
7 enrollment shall be reported on the same monthly basis as the
8 enrollment for students eligible for basic support, and payments shall
9 be adjusted for reported career and technical education program
10 enrollments on the same monthly basis as those adjustments for
11 enrollment for students eligible for basic support.

12 **Sec. 503.** 2011 2nd sp.s. c 9 s 503 (uncodified) is amended to read
13 as follows:

14 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION EMPLOYEE**
15 **COMPENSATION**

16 (1) The following calculations determine the salaries used in the
17 state allocations for certificated instructional, certificated
18 administrative, and classified staff units as provided in RCW
19 28A.150.280 and under section 503 of this act:

20 (a) Salary allocations for certificated instructional staff units
21 are determined for each district by multiplying the district's
22 certificated instructional total base salary shown on LEAP Document 2
23 by the district's average staff mix factor for certificated
24 instructional staff in that school year, computed using LEAP document
25 1; and

26 (b) Salary allocations for certificated administrative staff units
27 and classified staff units for each district are determined based on
28 the district's certificated administrative and classified salary
29 allocation amounts shown on LEAP Document 2.

30 (2) For the purposes of this section:

31 (a) "LEAP Document 1" means the staff mix factors for certificated
32 instructional staff according to education and years of experience, as
33 developed by the legislative evaluation and accountability program
34 committee on May 23, 2011, at 16:10 hours; and

35 (b) "LEAP Document 2" means the school year salary allocations for
36 certificated administrative staff and classified staff and derived and

1 total base salaries for certificated instructional staff as developed
 2 by the legislative evaluation and accountability program committee on
 3 May 23, 2011, at 16:10 hours.

4 (3) Incremental fringe benefit factors are applied to salary
 5 adjustments at a rate of 15.69 percent for school year 2011-12 and
 6 ((15.69)) 15.70 percent for school year 2012-13 for certificated
 7 instructional and certificated administrative staff and 15.23 percent
 8 for school year 2011-12 and 15.23 percent for the 2012-13 school year
 9 for classified staff.

10 (4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary
 11 allocation schedules for certificated instructional staff are
 12 established for basic education salary allocations:

13 Table Of Total Base Salaries For Certificated Instructional Staff For School Year 2011-12

14 ***Education Experience***

15	16									
17	Years									
18	of									
19	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	MA+90
20										OR
21										Ph.D.
22	0	33,401	34,303	35,238	36,175	39,180	41,116	40,045	43,051	44,989
23	1	33,851	34,765	35,712	36,690	39,727	41,652	40,490	43,527	45,452
24	2	34,279	35,202	36,159	37,212	40,241	42,186	40,938	43,966	45,912
25	3	34,720	35,653	36,620	37,706	40,729	42,722	41,363	44,384	46,377
26	4	35,153	36,127	37,099	38,224	41,264	43,271	41,808	44,849	46,857
27	5	35,600	36,578	37,561	38,748	41,777	43,824	42,261	45,291	47,339
28	6	36,060	37,017	38,032	39,279	42,293	44,352	42,725	45,740	47,797
29	7	36,868	37,839	38,868	40,182	43,241	45,356	43,594	46,652	48,768
30	8	38,050	39,074	40,127	41,550	44,651	46,844	44,961	48,063	50,254
31	9		40,353	41,459	42,933	46,106	48,373	46,343	49,518	51,785
32	10			42,806	44,387	47,602	49,945	47,798	51,014	53,356
33	11				45,883	49,169	51,558	49,295	52,581	54,969
34	12				47,332	50,777	53,238	50,850	54,188	56,650
35	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

1 Table Of Total Base Salaries For Certificated Instructional Staff For School Year 2012-13

2 ***Education Experience***

3

4	Years										MA+90
5	of										OR
6	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	Ph.D.	
7	0	33,401	34,303	35,238	36,175	39,180	41,116	40,045	43,051	44,989	
8	1	33,851	34,765	35,712	36,690	39,727	41,652	40,490	43,527	45,452	
9	2	34,279	35,202	36,159	37,212	40,241	42,186	40,938	43,966	45,912	
10	3	34,720	35,653	36,620	37,706	40,729	42,722	41,363	44,384	46,377	
11	4	35,153	36,127	37,099	38,224	41,264	43,271	41,808	44,849	46,857	
12	5	35,600	36,578	37,561	38,748	41,777	43,824	42,261	45,291	47,339	
13	6	36,060	37,017	38,032	39,279	42,293	44,352	42,725	45,740	47,797	
14	7	36,868	37,839	38,868	40,182	43,241	45,356	43,594	46,652	48,768	
15	8	38,050	39,074	40,127	41,550	44,651	46,844	44,961	48,063	50,254	
16	9		40,353	41,459	42,933	46,106	48,373	46,343	49,518	51,785	
17	10			42,806	44,387	47,602	49,945	47,798	51,014	53,356	
18	11				45,883	49,169	51,558	49,295	52,581	54,969	
19	12				47,332	50,777	53,238	50,850	54,188	56,650	
20	13					52,425	54,959	52,460	55,836	58,370	
21	14					54,081	56,745	54,117	57,600	60,157	
22	15					55,488	58,221	55,523	59,098	61,721	
23	16 or more					56,597	59,385	56,634	60,279	62,955	

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

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

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

34 (5) For the purposes of this section:

- 1 (a) "BA" means a baccalaureate degree.
- 2 (b) "MA" means a masters degree.
- 3 (c) "PHD" means a doctorate degree.
- 4 (d) "Years of service" shall be calculated under the same rules
- 5 adopted by the superintendent of public instruction.
- 6 (e) "Credits" means college quarter hour credits and equivalent
- 7 in-service credits computed in accordance with RCW 28A.415.020 and
- 8 28A.415.023.
- 9 (6) No more than ninety college quarter-hour credits received by
- 10 any employee after the baccalaureate degree may be used to determine
- 11 compensation allocations under the state salary allocation schedule and
- 12 LEAP documents referenced in this part V, or any replacement schedules
- 13 and documents, unless:
- 14 (a) The employee has a masters degree; or
- 15 (b) The credits were used in generating state salary allocations
- 16 before January 1, 1992.
- 17 (7) The salary allocation schedules established in this section are
- 18 for allocation purposes only except as provided in RCW 28A.400.200(2).

19 **Sec. 504.** 2011 2nd sp.s. c 9 s 504 (uncodified) is amended to read
 20 as follows:

21 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**
 22 **COMPENSATION ADJUSTMENTS**

23 General Fund--Federal Appropriation \$2,000

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

26 (1)(a) Additional salary adjustments as necessary to fund the base
 27 salaries for certificated instructional staff as listed for each
 28 district in LEAP Document 2, defined in section 504(2)(b) of this act.
 29 Allocations for these salary adjustments shall be provided to all
 30 districts that are not grandfathered to receive salary allocations
 31 above the statewide salary allocation schedule, and to certain
 32 grandfathered districts to the extent necessary to ensure that salary
 33 allocations for districts that are currently grandfathered do not fall
 34 below the statewide salary allocation schedule.

35 (b) Additional salary adjustments to certain districts as necessary
 36 to fund the per full-time-equivalent salary allocations for

1 certificated administrative staff as listed for each district in LEAP
2 Document 2, defined in section 504(2)(b) of this act.

3 (c) Additional salary adjustments to certain districts as necessary
4 to fund the per full-time-equivalent salary allocations for classified
5 staff as listed for each district in LEAP Document 2, defined in
6 section 504(2)(b) of this act.

7 (d) The appropriations in this subsection (1) include associated
8 incremental fringe benefit allocations at 15.69 percent for the 2011-12
9 school year and ((15.69)) 15.70 percent for the 2012-13 school year for
10 certificated instructional and certificated administrative staff and
11 15.23 percent for the 2011-12 school year and 15.23 percent for the
12 2012-13 school year for classified staff.

13 (e) The appropriations in this section include the increased or
14 decreased portion of salaries and incremental fringe benefits for all
15 relevant state-funded school programs in part V of this act. Changes
16 for general apportionment (basic education) are based on the salary
17 allocation schedules and methodology in sections 503 and 504 of this
18 act. Changes for special education result from changes in each
19 district's basic education allocation per student. Changes for
20 educational service districts and institutional education programs are
21 determined by the superintendent of public instruction using the
22 methodology for general apportionment salaries and benefits in sections
23 503 and 504 of this act.

24 (f) The appropriations in this section include no salary
25 adjustments for substitute teachers.

26 (2) The maintenance rate for insurance benefit allocations is
27 \$768.00 per month for the 2011-12 and 2012-13 school years. The
28 appropriations in this section reflect the incremental change in cost
29 of allocating rates of \$768.00 per month for the 2011-12 school year
30 and \$768.00 per month for the 2012-13 school year.

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

33 **Sec. 505.** 2011 2nd sp.s. c 9 s 505 (uncodified) is amended to read
34 as follows:

35 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION**
36 General Fund--State Appropriation (FY 2012) ((~~\$322,033,000~~))
37 \$322,243,000

1	General Fund--State Appropriation (FY 2013)	((\$273,380,000))
2		<u>\$273,642,000</u>
3	TOTAL APPROPRIATION	((\$595,413,000))
4		<u>\$595,885,000</u>

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

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

10 (2)(a) For the 2011-12 and 2012-13 school years, the superintendent
11 shall allocate funding to school district programs for the
12 transportation of students as provided in RCW 28A.160.192.

13 (b) From July 1, 2011 to August 31, 2011, the superintendent shall
14 allocate funding to school districts programs for the transportation of
15 students as provided in section 505, chapter 564, Laws of 2009, as
16 amended through section 1404 of this act.

17 (3) Any amounts appropriated for maintenance level funding for
18 pupil transportation that exceed actual maintenance level expenditures
19 as calculated under the funding formula that takes effect September 1,
20 2011, shall be distributed to districts according to RCW
21 28A.160.192(2)(b).

22 (4) A maximum of \$892,000 of this fiscal year 2012 appropriation
23 and a maximum of \$892,000 of the fiscal year 2013 appropriation may be
24 expended for regional transportation coordinators and related
25 activities. The transportation coordinators shall ensure that data
26 submitted by school districts for state transportation funding shall,
27 to the greatest extent practical, reflect the actual transportation
28 activity of each district.

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

36 (6) The superintendent of public instruction shall base
37 depreciation payments for school district buses on the pre-sales tax
38 five-year average of lowest bids in the appropriate category of bus.

1 In the final year on the depreciation schedule, the depreciation
2 payment shall be based on the lowest bid in the appropriate bus
3 category for that school year.

4 (7) Funding levels in this section reflect waivers granted by the
5 state board of education for four-day school weeks as allowed under RCW
6 28A.305.141.

7 (8) Starting with the 2012-13 school year, the office of the
8 superintendent of public instruction shall disburse payments for bus
9 depreciation in August.

10 (9) The office of the superintendent of public instruction shall
11 develop, in consultation with the Washington association of school
12 business officials and the Washington association for pupil
13 transportation, a unit-cost transportation formula or hybrid formula
14 for legislative consideration and potential adoption. The
15 transportation-allocation formula shall take into account statistically
16 significant cost drivers, recognize fixed costs, and simplify the
17 current regression-analysis transportation-allocation method. The
18 formula or hybrid formula developed should be based on currently
19 collected data identified under RCW 28A.160.192(1)(a). These data are
20 to include basic and special student loads, school district land area,
21 average distance to school, roadway miles, and number of locations
22 served. The office of the superintendent of public instruction shall
23 report to the legislative fiscal committees, the education committees
24 of the senate and the house of representatives, and to the office of
25 financial management by September 30, 2012, for legislative
26 consideration and possible amendment or adoption of the unit-cost or
27 hybrid formula for the 2013-14 school year.

28 **Sec. 506.** 2011 2nd sp.s. c 9 s 507 (uncodified) is amended to read
29 as follows:

30 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**
31 **PROGRAMS**

32	General Fund--State Appropriation (FY 2012)	((\$653,904,000))
33		<u>\$648,369,000</u>
34	General Fund--State Appropriation (FY 2013)	((\$694,237,000))
35		<u>\$679,832,000</u>
36	General Fund--Federal Appropriation	((\$486,936,000))
37		<u>\$486,922,000</u>

1 Education Legacy Trust Account--State Appropriation \$756,000
2 TOTAL APPROPRIATION (~~(\$1,835,833,000)~~)
3 \$1,815,879,000

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

6 (1) Funding for special education programs is provided on an excess
7 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
8 that special education students as a class receive their full share of
9 the general apportionment allocation accruing through sections 502 and
10 504 of this act. To the extent a school district cannot provide an
11 appropriate education for special education students under chapter
12 28A.155 RCW through the general apportionment allocation, it shall
13 provide services through the special education excess cost allocation
14 funded in this section.

15 (2)(a) The superintendent of public instruction shall ensure that:

16 (i) Special education students are basic education students first;

17 (ii) As a class, special education students are entitled to the
18 full basic education allocation; and

19 (iii) Special education students are basic education students for
20 the entire school day.

21 (b) The superintendent of public instruction shall continue to
22 implement the full cost method of excess cost accounting, as designed
23 by the committee and recommended by the superintendent, pursuant to
24 section 501(1)(k), chapter 372, Laws of 2006.

25 (c) Beginning with the 2010-11 school year award cycle, the office
26 of the superintendent of public instruction shall make award
27 determinations for state safety net funding in August of each school
28 year. Determinations on school district eligibility for state safety
29 net awards shall be based on analysis of actual expenditure data from
30 the current school year.

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

34 (4)(a) For the 2011-12 and 2012-13 school years, the superintendent
35 shall allocate funding to school district programs for special
36 education students as provided in RCW 28A.150.390.

37 (b) From July 1, 2011 to August 31, 2011, the superintendent shall

1 allocate funding to school district programs for special education
2 students as provided in section 507, chapter 564, Laws of 2009, as
3 amended through section 1406 of this act.

4 (5) The following applies throughout this section: The definitions
5 for enrollment and enrollment percent are as specified in RCW
6 28A.150.390(3). Each district's general fund--state funded special
7 education enrollment shall be the lesser of the district's actual
8 enrollment percent or 12.7 percent.

9 (6) At the request of any interdistrict cooperative of at least 15
10 districts in which all excess cost services for special education
11 students of the districts are provided by the cooperative, the maximum
12 enrollment percent shall be calculated in accordance with RCW
13 28A.150.390(3) (c) and (d), and shall be calculated in the aggregate
14 rather than individual district units. For purposes of this
15 subsection, the average basic education allocation per full-time
16 equivalent student shall be calculated in the aggregate rather than
17 individual district units.

18 (7) \$8,914,000 of the general fund--state appropriation for fiscal
19 year 2012, \$34,200,000 of the general fund--state appropriation for
20 fiscal year 2013, and \$29,574,000 of the general fund--federal
21 appropriation are provided solely for safety net awards for districts
22 with demonstrated needs for special education funding beyond the
23 amounts provided in subsection (4) of this section. If the federal
24 safety net awards based on the federal eligibility threshold exceed the
25 federal appropriation in this subsection (7) in any fiscal year, the
26 superintendent shall expend all available federal discretionary funds
27 necessary to meet this need. At the conclusion of each school year,
28 the superintendent shall recover safety net funds that were distributed
29 prospectively but for which districts were not subsequently eligible.

30 (a) For the 2011-12 and 2012-13 school years, safety net funds
31 shall be awarded by the state safety net oversight committee as
32 provided in section 109(1) chapter 548, Laws of 2009 (ESHB 2261).

33 (b) From July 1, 2011 to August 31, 2011, the superintendent shall
34 operate the safety net oversight committee and shall award safety net
35 funds as provided in section 507, chapter 564, Laws of 2009, as amended
36 through section 1406 of this act.

37 (8) A maximum of \$678,000 may be expended from the general fund--
38 state appropriations to fund 5.43 full-time equivalent teachers and 2.1

1 full-time equivalent aides at children's orthopedic hospital and
2 medical center. This amount is in lieu of money provided through the
3 home and hospital allocation and the special education program.

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

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

14 (11) \$251,000 of the general fund--state appropriation for fiscal
15 year 2012 and \$251,000 of the general fund--state appropriation for
16 fiscal year 2013 are provided solely for two additional full-time
17 equivalent staff to support the work of the safety net committee and to
18 provide training and support to districts applying for safety net
19 awards.

20 (12) \$50,000 of the general fund--state appropriation for fiscal
21 year 2012, \$50,000 of the general fund--state appropriation for fiscal
22 year 2013, and \$100,000 of the general fund--federal appropriation
23 shall be expended to support a special education ombudsman program
24 within the office of superintendent of public instruction.

25 **Sec. 507.** 2011 2nd sp.s. c 9 s 508 (uncodified) is amended to read
26 as follows:

27 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE**
28 **DISTRICTS**

29	General Fund--State Appropriation (FY 2012)	((\$7,889,000))
30		<u>\$7,894,000</u>
31	General Fund--State Appropriation (FY 2013)	((\$7,904,000))
32		<u>\$7,912,000</u>
33	TOTAL APPROPRIATION	((\$15,793,000))
34		<u>\$15,806,000</u>

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

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

4 (2) Funding within this section is provided for regional
5 professional development related to mathematics and science curriculum
6 and instructional strategies. Funding shall be distributed among the
7 educational service districts in the same proportion as distributions
8 in the 2007-2009 biennium. Each educational service district shall use
9 this funding solely for salary and benefits for a certificated
10 instructional staff with expertise in the appropriate subject matter
11 and in professional development delivery, and for travel, materials,
12 and other expenditures related to providing regional professional
13 development support.

14 (3) The educational service districts, at the request of the state
15 board of education pursuant to RCW 28A.310.010 and 28A.310.340, may
16 receive and screen applications for school accreditation, conduct
17 school accreditation site visits pursuant to state board of education
18 rules, and submit to the state board of education post-site visit
19 recommendations for school accreditation. The educational service
20 districts may assess a cooperative service fee to recover actual plus
21 reasonable indirect costs for the purposes of this subsection.

22 **Sec. 508.** 2011 2nd sp.s. c 9 s 509 (uncodified) is amended to read
23 as follows:

24 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
25 **ASSISTANCE**

26	General Fund--State Appropriation (FY 2012)	((\$300,761,000))
27		<u>\$300,768,000</u>
28	General Fund--State Appropriation (FY 2013)	((\$299,276,000))
29		<u>\$298,166,000</u>
30	<u>General Fund--Federal Appropriation</u>	<u>\$4,400,000</u>
31	TOTAL APPROPRIATION	((\$600,037,000))
32		<u>\$603,334,000</u>

33 The appropriations in this section are subject to the following
34 conditions and limitations: For purposes of RCW 84.52.0531, the
35 increase per full-time equivalent student is 3 percent from the 2010-11
36 school year to the 2011-12 school year and 5 percent from the 2011-12
37 school year to the 2012-13 school year.

1 **Sec. 509.** 2011 2nd sp.s. c 9 s 510 (uncodified) is amended to read
2 as follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
4 **EDUCATION PROGRAMS**

5	General Fund--State Appropriation (FY 2012)	((\$17,507,000))
6		<u>\$16,694,000</u>
7	General Fund--State Appropriation (FY 2013)	((\$16,969,000))
8		<u>\$15,867,000</u>
9	TOTAL APPROPRIATION	((\$34,476,000))
10		<u>\$32,561,000</u>

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

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

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

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

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

28 (5) ((~~\$669,000~~)) \$586,000 of the general fund--state appropriation
29 for fiscal year 2012 and ((~~\$669,000~~)) \$549,000 of the general fund--
30 state appropriation for fiscal year 2013 are provided solely to
31 maintain at least one certificated instructional staff and related
32 support services at an institution whenever the K-12 enrollment is not
33 sufficient to support one full-time equivalent certificated
34 instructional staff to furnish the educational program. The following
35 types of institutions are included: Residential programs under the
36 department of social and health services for developmentally disabled
37 juveniles, programs for juveniles under the department of corrections,

1 programs for juveniles under the juvenile rehabilitation
2 administration, and programs for juveniles operated by city and county
3 jails.

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

6 **Sec. 510.** 2011 2nd sp.s. c 9 s 511 (uncodified) is amended to read
7 as follows:

8 **FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS**

9	General Fund--State Appropriation (FY 2012)	((\$8,759,000))
10		<u>\$8,745,000</u>
11	General Fund--State Appropriation (FY 2013)	((\$8,842,000))
12		<u>\$8,788,000</u>
13	TOTAL APPROPRIATION	((\$17,601,000))
14		<u>\$17,533,000</u>

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

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

20 (2)(a) For the 2011-12 and 2012-13 school years, the superintendent
21 shall allocate funding to school district programs for highly capable
22 students as provided in RCW 28A.150.260(10)(c). In calculating the
23 allocations, the superintendent shall assume the following: (i)
24 Additional instruction of 2.1590 hours per week per funded highly
25 capable program student; (ii) fifteen highly capable program students
26 per teacher; (iii) 36 instructional weeks per year; (iv) 900
27 instructional hours per teacher; and (v) the district's average staff
28 mix and compensation rates as provided in sections 503 and 504 of this
29 act.

30 (b) From July 1, 2011, to August 31, 2011, the superintendent shall
31 allocate funding to school districts programs for highly capable
32 students as provided in section 511, chapter 564, Laws of 2009, as
33 amended through section 1409 of this act.

34 (3) \$85,000 of the general fund--state appropriation for fiscal
35 year 2012 and \$85,000 of the general fund--state appropriation for
36 fiscal year 2013 are provided solely for the centrum program at Fort
37 Worden state park.

1 **Sec. 511.** 2011 2nd sp.s. c 9 s 513 (uncodified) is amended to read
2 as follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM**
4 **PROGRAMS**

5	General Fund--State Appropriation (FY 2012)	\$58,078,000
6	General Fund--State Appropriation (FY 2013)	(\$98,309,000)
7		<u>\$103,655,000</u>
8	General Fund--Federal Appropriation	(\$219,161,000)
9		<u>\$219,147,000</u>
10	General Fund--Private/Local Appropriation	\$4,000,000
11	Education Legacy Trust Account--State Appropriation . .	(\$1,598,000)
12		<u>\$1,596,000</u>
13	TOTAL APPROPRIATION	(\$381,146,000)
14		<u>\$386,476,000</u>

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

17 (1) \$40,822,000 of the general fund--state appropriation for fiscal
18 year 2012, ~~(\$41,613,000)~~ \$41,614,000 of the general fund--state
19 appropriation for fiscal year 2013, \$1,350,000 of the education legacy
20 trust account--state appropriation, and \$15,868,000 of the general
21 fund--federal appropriation are provided solely for development and
22 implementation of the Washington state assessment system, including:
23 (a) Development and implementation of retake assessments for high
24 school students who are not successful in one or more content areas and
25 (b) development and implementation of alternative assessments or
26 appeals procedures to implement the certificate of academic
27 achievement. The superintendent of public instruction shall report
28 quarterly on the progress on development and implementation of
29 alternative assessments or appeals procedures. Within these amounts,
30 the superintendent of public instruction shall contract for the early
31 return of 10th grade student assessment results, on or around June 10th
32 of each year. State funding shall be limited to one collection of
33 evidence payment per student, per content-area assessment.

34 (2) \$356,000 of the general fund--state appropriation for fiscal
35 year 2012 and \$356,000 of the general fund--state appropriation for
36 fiscal year 2013 are provided solely for the Washington state
37 leadership and assistance for science education reform (LASER) regional

1 partnership activities coordinated at the Pacific science center,
2 including instructional material purchases, teacher and principal
3 professional development, and school and community engagement events.

4 (3) \$980,000 of the general fund--state appropriation for fiscal
5 year 2012 and \$980,000 of the general fund--state appropriation for
6 fiscal year 2013 are provided solely for improving technology
7 infrastructure, monitoring and reporting on school district technology
8 development, promoting standards for school district technology,
9 promoting statewide coordination and planning for technology
10 development, and providing regional educational technology support
11 centers, including state support activities, under chapter 28A.650 RCW.

12 (4) \$3,852,000 of the general fund--state appropriation for fiscal
13 year 2012 and \$2,624,000 of the general fund--state appropriation for
14 fiscal year 2013 are provided solely for continued implementation of
15 chapter 235, Laws of 2010 (education reform) including development of
16 new performance-based evaluation systems for certificated educators.

17 (5)(a) (~~(\$40,681,000)~~) \$39,296,000 of the general fund--state
18 appropriation for fiscal year 2013 is provided solely for the following
19 bonuses for teachers who hold valid, unexpired certification from the
20 national board for professional teaching standards and who are teaching
21 in a Washington public school, subject to the following conditions and
22 limitations:

23 (i) For national board certified teachers, a bonus of \$5,090 per
24 teacher in the 2011-12 and 2012-13 school years, adjusted for inflation
25 in each school year in which Initiative 732 cost of living adjustments
26 are provided;

27 (ii) An additional \$5,000 annual bonus shall be paid to national
28 board certified teachers who teach in either: (A) High schools where
29 at least 50 percent of student headcount enrollment is eligible for
30 federal free or reduced price lunch, (B) middle schools where at least
31 60 percent of student headcount enrollment is eligible for federal free
32 or reduced price lunch, or (C) elementary schools where at least 70
33 percent of student headcount enrollment is eligible for federal free or
34 reduced price lunch;

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

1 2011-12 school year, all bonuses in (a)(i) and (ii) of this subsection
2 will be paid in July of each school year. Bonuses in (a)(i) and (ii)
3 of this subsection shall be reduced by a factor of 40 percent for first
4 year NBPTS certified teachers, to reflect the portion of the
5 instructional school year they are certified; and

6 (iv) During the 2011-12 and 2012-13 school years, and within
7 available funds, certificated instructional staff who have met the
8 eligibility requirements and have applied for certification from the
9 national board for professional teaching standards may receive a
10 conditional loan of two thousand dollars or the amount set by the
11 office of the superintendent of public instruction to contribute toward
12 the current assessment fee, not including the initial up-front
13 candidacy payment. The fee shall be an advance on the first annual
14 bonus under RCW 28A.405.415. The conditional loan is provided in
15 addition to compensation received under a district's salary schedule
16 and shall not be included in calculations of a district's average
17 salary and associated salary limitation under RCW 28A.400.200.
18 Recipients who fail to receive certification after three years are
19 required to repay the conditional loan. The office of the
20 superintendent of public instruction shall adopt rules to define the
21 terms for initial grant of the assessment fee and repayment, including
22 applicable fees. To the extent necessary, the superintendent may use
23 revenues from the repayment of conditional loan scholarships to ensure
24 payment of all national board bonus payments required by this section
25 in each school year.

26 (6) \$477,000 of the general fund--state appropriation for fiscal
27 year 2012 and \$477,000 of the general fund--state appropriation for
28 fiscal year 2013 are provided solely for the leadership internship
29 program for superintendents, principals, and program administrators.

30 (7) \$950,000 of the general fund--state appropriation for fiscal
31 year 2012 and \$950,000 of the general fund--state appropriation for
32 fiscal year 2013 are provided solely for the Washington reading corps.
33 The superintendent shall allocate reading corps members to low-
34 performing schools and school districts that are implementing
35 comprehensive, proven, research-based reading programs. Two or more
36 schools may combine their Washington reading corps programs.

37 (8) \$810,000 of the general fund--state appropriation for fiscal
38 year 2012 and \$810,000 of the general fund--state appropriation for

1 fiscal year 2013 are provided solely for the development of a
2 leadership academy for school principals and administrators. The
3 superintendent of public instruction shall contract with an independent
4 organization to design, field test, and implement a state-of-the-art
5 education leadership academy that will be accessible throughout the
6 state. Initial development of the content of the academy activities
7 shall be supported by private funds. Semiannually the independent
8 organization shall report on amounts committed by foundations and
9 others to support the development and implementation of this program.
10 Leadership academy partners shall include the state level organizations
11 for school administrators and principals, the superintendent of public
12 instruction, the professional educator standards board, and others as
13 the independent organization shall identify.

14 (9) \$3,234,000 of the general fund--state appropriation for fiscal
15 year 2012 and \$3,234,000 of the general fund--state appropriation for
16 fiscal year 2013 are provided solely for grants to school districts to
17 provide a continuum of care for children and families to help children
18 become ready to learn. Grant proposals from school districts shall
19 contain local plans designed collaboratively with community service
20 providers. If a continuum of care program exists in the area in which
21 the school district is located, the local plan shall provide for
22 coordination with existing programs to the greatest extent possible.

23 (10) \$1,500,000 of the general fund--state appropriation for fiscal
24 year 2012 and \$1,500,000 of the general fund--state appropriation for
25 fiscal year 2013 are provided solely for the implementation of chapter
26 288, Laws of 2011 (actual student success program), including
27 allocations to the opportunity internship program, the jobs for
28 America's graduates program, the building bridges program, services
29 provided by a college scholarship organization. Funding shall not be
30 used in the 2011-2013 fiscal biennium to provide awards for schools and
31 school districts.

32 (11) \$859,000 of the general fund--state appropriation for fiscal
33 year 2012, (~~(\$846,000)~~) \$808,000 of the general fund--state
34 appropriation for fiscal year 2013, and \$248,000 of the education
35 legacy trust account--state appropriation are for administrative
36 support of education reform programs.

37 (12) \$2,000,000 of the general fund--state appropriation for fiscal
38 year 2012 and \$2,000,000 of the general fund--state appropriation for

1 fiscal year 2013 are provided solely for a statewide information
2 technology (IT) academy program. This public-private partnership will
3 provide educational software, as well as IT certification and software
4 training opportunities for students and staff in public schools.

5 (13) \$977,000 of the general fund--state appropriation for fiscal
6 year 2012 and (~~(\$977,000)~~) \$1,077,000 of the general fund--state
7 appropriation for fiscal year 2013 are provided solely for secondary
8 career and technical education grants pursuant to chapter 170, Laws of
9 2008. If equally matched by private donations, \$300,000 of the 2012
10 appropriation and \$300,000 of the 2013 appropriation shall be used to
11 support FIRST robotics programs. Of the amounts in this subsection,
12 \$100,000 of the fiscal year 2013 appropriation is provided solely for
13 the purpose of statewide supervision activities for career and
14 technical education student leadership organizations.

15 (14) \$125,000 of the general fund--state appropriation for fiscal
16 year 2012 and \$125,000 of the general fund--state appropriation for
17 fiscal year 2013 are provided solely for (a) staff at the office of the
18 superintendent of public instruction to coordinate and promote efforts
19 to develop integrated math, science, technology, and engineering
20 programs in schools and districts across the state; and (b) grants of
21 \$2,500 to provide twenty middle and high school teachers each year with
22 professional development training for implementing integrated math,
23 science, technology, and engineering programs in their schools.

24 (15) \$135,000 of the general fund--state appropriation for fiscal
25 year 2012 and \$135,000 of the general fund--state appropriation for
26 fiscal year 2013 are provided solely for science, technology,
27 engineering and mathematics lighthouse projects, consistent with
28 chapter 238, Laws of 2010.

29 (16) \$1,000,000 of the general fund--state appropriation for fiscal
30 year 2012 and \$1,000,000 of the general fund--state appropriation for
31 fiscal year 2013 are provided solely for a beginning educator support
32 program. School districts and/or regional consortia may apply for
33 grant funding. The superintendent shall implement this program in 5 to
34 15 school districts and/or regional consortia. The program provided by
35 a district and/or regional consortia shall include: A paid
36 orientation; assignment of a qualified mentor; development of a
37 professional growth plan for each beginning teacher aligned with
38 professional certification; release time for mentors and new teachers

1 to work together; and teacher observation time with accomplished peers.
2 \$250,000 may be used to provide statewide professional development
3 opportunities for mentors and beginning educators.

4 (17) \$5,767,000 of the general fund--state appropriation for fiscal
5 year 2013 is provided solely pursuant to Engrossed Substitute Senate
6 Bill No. 5895 (certificated employee evaluations). If the bill is not
7 enacted by June 30, 2012, the amount provided in this subsection shall
8 lapse.

9 (18) \$200,000 of the general fund--state appropriation for fiscal
10 year 2013 is provided solely for the American Academy to provide social
11 support and academic intervention to students who have been suspended
12 or expelled, are pregnant or parenting teens, have dropped out of
13 school, or are significantly at risk of dropping out of school.
14 Students are eligible to participate with the recommendation and
15 approval of their resident school district.

16 (19) \$250,000 of the general fund--state appropriation for fiscal
17 year 2013 is provided solely for advanced project lead the way courses
18 at ten high schools. To be eligible for funding, a high school must
19 have offered a foundational project lead the way course during the
20 2011-12 school year. The funding must be used for one-time start-up
21 course costs for an advanced project lead the way course, to be offered
22 to students beginning in the 2012-13 school year. The office of the
23 superintendent of public instruction and the education research and
24 data center at the office of financial management shall track student
25 participation and long-term outcome data.

26 (20) \$150,000 of the general fund--state appropriation for fiscal
27 year 2013 is provided solely for aerospace and manufacturing technical
28 programs housed at two skill centers. The one-time funding is provided
29 for start-up equipment and curriculum purchases. To be eligible for
30 funding, the skill center must agree to provide regional high schools
31 with access to a technology laboratory, expand manufacturing
32 certificate and course offerings at the skill center, and provide a
33 laboratory space for local high school teachers to engage in
34 professional development in the instruction of courses leading to
35 student employment certification in the aerospace and manufacturing
36 industries. The office of the superintendent of public instruction
37 shall administer the grants in consultation with the center for
38 excellence for aerospace and advanced materials manufacturing.

1 (21) \$300,000 of the general fund--state appropriation for fiscal
2 year 2013 is provided solely for start-up grants to twelve high schools
3 to implement the aerospace assembler program. Participating high
4 schools must agree to offer the aerospace assembler training program to
5 students by spring semester of school year 2012-13. The office of the
6 superintendent of public instruction and the education research and
7 data center at the office of financial management shall track student
8 participation and long-term outcome data.

9 **Sec. 512.** 2011 2nd sp.s. c 9 s 514 (uncodified) is amended to read
10 as follows:

11 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL**
12 **BILINGUAL PROGRAMS**

13	General Fund--State Appropriation (FY 2012)	((\$79,496,000))
14		<u>\$79,575,000</u>
15	General Fund--State Appropriation (FY 2013)	((\$82,856,000))
16		<u>\$80,666,000</u>
17	General Fund--Federal Appropriation	\$71,001,000
18	TOTAL APPROPRIATION	((\$233,353,000))
19		<u>\$231,242,000</u>

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

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

25 (2)(a) For the 2011-12 and 2012-13 school years, the superintendent
26 shall allocate funding to school districts for transitional bilingual
27 programs as provided in RCW 28A.150.260(10)(b). In calculating the
28 allocations, the superintendent shall assume the following averages:
29 (i) Additional instruction of 4.7780 hours per week per transitional
30 bilingual program student; (ii) fifteen transitional bilingual program
31 students per teacher; (iii) 36 instructional weeks per year; (iv) 900
32 instructional hours per teacher; and (v) the district's average staff
33 mix and compensation rates as provided in sections 503 and 504 of this
34 act.
35

36 (b) From July 1, 2011, to August 31, 2011, the superintendent shall
37 allocate funding to school districts for transitional bilingual

1 instruction programs as provided in section 514, chapter 564, Laws of
2 2009, as amended through section 1411 of this act.

3 (c) The allocations in this section reflect the implementation of
4 a new funding formula for the transitional bilingual instructional
5 program, effective September 1, 2011, as specified in RCW
6 28A.150.260(10)(b).

7 (3) The superintendent may withhold allocations to school districts
8 in subsection (2) of this section solely for the central provision of
9 assessments as provided in RCW 28A.180.090 (1) and (2) up to the
10 following amounts: 2.79 percent for school year 2011-12 and ((2.09))
11 2.11 percent for school year 2012-13.

12 (4) The general fund--federal appropriation in this section is for
13 migrant education under Title I Part C and English language
14 acquisition, and language enhancement grants under Title III of the
15 elementary and secondary education act.

16 (5)((~~(a) The office of the superintendent of public instruction~~
17 ~~shall implement~~)) In preparing its 2013-15 biennial budget request, the
18 office of the superintendent of public instruction shall prepare for
19 implementation of a funding model for the transitional bilingual
20 program, beginning in school year ((2012-13)) 2013-14, that is scaled
21 to provide more support to students requiring most intensive
22 intervention, (students with beginning levels of English language
23 proficiency) and less support to students requiring less intervention.
24 The funding model shall also provide up to two years of bonus funding
25 upon successful exit from the bilingual program to facilitate
26 successful transition to a standard program of education.

27 ((~~(b) It is expected that per pupil funding for level 2 proficiency~~
28 ~~will be set at the same level as would have been provided statewide~~
29 ~~prior to establishing differential per pupil amounts; level 1 will be~~
30 ~~125 percent of level 2; level 3 through the level prior to exit will be~~
31 ~~75 percent of level 2; and two bonus years upon successful~~
32 ~~demonstration of proficiency will be 100 percent of level 2. Prior to~~
33 ~~implementing in school year 2012-13, the office of the superintendent~~
34 ~~of public instruction shall provide to the senate and house of~~
35 ~~representatives ways and means committees recommended rates based on~~
36 ~~the results of proficiency test procurement, expressed as both per-~~
37 ~~pupil rates and hours of instruction as provided in RCW~~
38 ~~28A.150.260(10)(b).~~

1 ~~(c) Each bilingual student shall be tested for proficiency level~~
2 ~~and, therefore, eligibility for the transitional bilingual program each~~
3 ~~year. The bonus payments for up to two school years following~~
4 ~~successful exit from the transitional bilingual program shall be~~
5 ~~allocated to the exiting school district. If the student graduates or~~
6 ~~transfers to another district prior to the district receiving both~~
7 ~~years' bonuses, the district shall receive the bonus for only the~~
8 ~~length of time the student remains enrolled in the exiting district.~~

9 ~~(d) The quality education council shall examine the revised~~
10 ~~funding model developed under this subsection and provide a report to~~
11 ~~the education and fiscal committees of the legislature by December 1,~~
12 ~~2011, that includes recommendations for:~~

13 ~~(i) Changing the prototypical school funding formula for the~~
14 ~~transitional bilingual program to align with the revised model in an~~
15 ~~accurate and transparent manner;~~

16 ~~(ii) Reconciling the revised model with statutory requirements for~~
17 ~~categorical funding of the transitional bilingual instructional program~~
18 ~~that is restricted to students eligible for and enrolled in that~~
19 ~~program;~~

20 ~~(iii) Clarifying the elements of the transitional bilingual~~
21 ~~instructional program that fall under the definition of basic education~~
22 ~~and the impact of the revised model on them; and~~

23 ~~(iv) The extent that the disparate financial impact of the revised~~
24 ~~model on different school districts should be addressed and options for~~
25 ~~addressing it.~~

26 ~~(e) The office of the superintendent of public instruction shall~~
27 ~~report to the senate and house of representatives ways and means~~
28 ~~committees and education committees annually by December 31st of each~~
29 ~~year, through 2018, regarding any measurable changes in proficiency,~~
30 ~~time in program, and transition experience.~~

31 ~~(6))~~ \$35,000 of the general fund--state appropriation for fiscal
32 year 2012 and \$35,000 of the general fund--state appropriation for
33 fiscal year 2013 are provided solely to track current and former
34 transitional bilingual program students.

35 **Sec. 513.** 2011 2nd sp.s. c 9 s 515 (uncodified) is amended to read
36 as follows:

1 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
2 **ASSISTANCE PROGRAM**

3	General Fund--State Appropriation (FY 2012)	((\$102,470,000))
4		<u>\$102,619,000</u>
5	General Fund--State Appropriation (FY 2013)	((\$103,666,000))
6		<u>\$128,779,000</u>
7	General Fund--Federal Appropriation	\$492,207,000
8	Education Legacy Trust Account--State	
9	Appropriation	((\$47,980,000))
10		<u>\$23,990,000</u>
11	TOTAL APPROPRIATION	((\$746,323,000))
12		<u>\$747,595,000</u>

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

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

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

20 (b)(i) For the 2011-12 and 2012-13 school years, the superintendent
21 shall allocate funding to school districts for learning assistance
22 programs as provided in RCW 28A.150.260(10)(a). In calculating the
23 allocations, the superintendent shall assume the following averages:

24 (A) Additional instruction of 1.51560 hours per week per funded
25 learning assistance program student; (B) fifteen learning assistance
26 program students per teacher; (C) 36 instructional weeks per year; (D)
27 900 instructional hours per teacher; and (E) the district's average
28 staff mix and compensation rates as provided in sections 503 and 504 of
29 this act.

30 (ii) From July 1, 2011, to August 31, 2011, the superintendent
31 shall allocate funding to school districts for learning assistance
32 programs as provided in section 515, chapter 564, Laws of 2009, as
33 amended through section 1412 of this act.

34 (c) A school district's funded students for the learning assistance
35 program shall be the sum of the district's full-time equivalent
36 enrollment in grades K-12 for the prior school year multiplied by the
37 district's percentage of October headcount enrollment in grades K-12
38 eligible for free or reduced price lunch in the prior school year.

1 (2) Allocations made pursuant to subsection (1) of this section
2 shall be adjusted to reflect ineligible applications identified through
3 the annual income verification process required by the national school
4 lunch program, as recommended in the report of the state auditor on the
5 learning assistance program dated February, 2010.

6 (3) The general fund--federal appropriation in this section is
7 provided for Title I Part A allocations of the no child left behind act
8 of 2001.

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

13 (5) The office of the superintendent of public instruction shall
14 research and recommend options for an adjustment factor for middle
15 school and high school free and reduced price lunch eligibility
16 reporting rates pursuant to RCW 28A.150.260(12)(a), and submit a report
17 to the fiscal committees of the legislature by June 1, 2012. For the
18 2011-12 and 2012-13 school years, the adjustment factor is 1.0.

19 **Sec. 514.** 2011 1st sp.s. c 50 s 516 (uncodified) is amended to
20 read as follows:

21 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

22 (1) Amounts distributed to districts by the superintendent through
23 part V of this act are for allocations purposes only and do not entitle
24 a particular district, district employee, or student to a specific
25 service, beyond what has been expressly provided in statute. Part V of
26 this act restates the requirements of various sections of Title 28A
27 RCW. If any conflict exists, the provisions of Title 28A RCW control
28 unless this act explicitly states that it is providing an enhancement.

29 Any amounts provided in part V of this act in excess of the amounts
30 required by Title 28A RCW provided in statute, are not within the
31 program of basic education.

32 (2) To the maximum extent practicable, when adopting new or revised
33 rules or policies relating to the administration of allocations in part
34 V of this act that result in fiscal impact, the office of the
35 superintendent of public instruction shall attempt to seek legislative
36 approval through the budget request process.

1 (3) Appropriations made in this act to the office of the
2 superintendent of public instruction shall initially be allotted as
3 required by this act. Subsequent allotment modifications shall not
4 include transfers of moneys between sections of this act except as
5 expressly provided in subsection (4) of this section.

6 (4) The appropriations to the office of the superintendent of
7 public instruction in this act shall be expended for the programs and
8 amounts specified in this act. However, after May 1, 2012, unless
9 specifically prohibited by this act and after approval by the director
10 of financial management, the superintendent of public instruction may
11 transfer state general fund appropriations for fiscal year 2012 among
12 the following programs to meet the apportionment schedule for a
13 specified formula in another of these programs: General apportionment;
14 employee compensation adjustments; pupil transportation; special
15 education programs; institutional education programs; transitional
16 bilingual programs; highly capable; and learning assistance programs.

17 (5) The director of financial management shall notify the
18 appropriate legislative fiscal committees in writing prior to approving
19 any allotment modifications or transfers under this section.

(End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 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))
	<u>\$532,841,000</u>
General Fund--State Appropriation (FY 2013)	((\$525,644,000))
	<u>\$516,861,000</u>
Community/Technical College Capital Projects	
Account--State Appropriation	((\$8,037,000))
	<u>\$12,793,000</u>
Education Legacy Trust Account--State	
Appropriation	((\$95,370,000))
	<u>\$95,256,000</u>
TOTAL APPROPRIATION	((\$1,162,060,000))
	<u>\$1,157,751,000</u>

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.

1 (3) \$4,500,000 of the general fund--state appropriation for fiscal
2 year 2012 and \$4,500,000 of the general fund--state appropriation for
3 fiscal year 2013 is provided solely for worker retraining.

4 (4) Of the amounts appropriated in this section, \$5,000,000 is
5 provided solely for the student achievement initiative.

6 (5) When implementing the appropriations in this section, the state
7 board and the trustees of the individual community and technical
8 colleges shall minimize impact on academic programs, maximize
9 reductions in administration, and shall at least maintain, and endeavor
10 to increase, enrollment opportunities and degree and certificate
11 production in high employer-demand fields of study at their academic
12 year 2008-09 levels.

13 (6) Community and technical colleges are not required to send mass
14 mailings of course catalogs to residents of their districts. Community
15 and technical colleges shall consider lower cost alternatives, such as
16 mailing postcards or brochures that direct individuals to online
17 information and other ways of acquiring print catalogs.

18 (7) Bellevue college is authorized to offer (~~applied~~)
19 baccalaureate degrees in information technology, health care services
20 and management, biotechnology, and preprofessional preparation for
21 medical fields. These degrees shall be directed at high school
22 graduates and transfer-oriented degree and professional and technical
23 degree holders. In fiscal year 2012, Bellevue college will develop a
24 two-year plan for offering these new degrees. The plan will assume
25 funding for these new degrees shall come through redistribution of its
26 current per full-time enrollment funding. The plan shall be delivered
27 to the legislature by June 30, 2012.

28 (8) The Seattle community college district is authorized to offer
29 applied baccalaureate degree programs in business/international
30 business and technology management, interactive and artistic digital
31 media, sustainability, building science technology, and allied and
32 global health. These degrees shall be directed at high school
33 graduates and professional and technical degree holders. In fiscal
34 year 2012, Seattle community colleges shall develop a two-year plan for
35 offering these new degrees. The plan will assume that funding for
36 these new degrees comes through redistribution of its current per full-
37 time enrollment funding. The plan shall be delivered to the
38 legislature by June 30, 2012.

1 (9) \$100,000 of the general fund--state appropriation for fiscal
2 year 2013 is provided solely for the Jefferson education center.

3 (10) \$2,000,000 of the general fund--state appropriation for fiscal
4 year 2013 is provided solely for an expansion in enrollments in
5 science, technology, engineering, and math. Amounts provided in this
6 subsection may be used only to cover direct costs of instruction
7 associated with this enrollment expansion. By June 30, 2012, the state
8 board for community and technical colleges shall provide a report to
9 the legislature that provides specific detail on how these amounts will
10 be spent. Each June 30th thereafter, the state board for community and
11 technical colleges shall provide an updated report that provides
12 specific detail on how these amounts were spent in the preceding twelve
13 months.

14 (11) Amounts appropriated in this section are sufficient for the
15 state board for community and technical colleges to conduct a
16 comprehensive review of its tuition waiver policies. The resulting
17 report shall include an overview of tuition waiver uses and costs
18 (forgone revenue) and outcomes and any recommendations for changes to
19 tuition waiver policy and shall be provided to the legislature no later
20 than December 1, 2012.

21 (12) \$131,000 of the general fund--state appropriation for fiscal
22 year 2013 is provided solely for the implementation of Second
23 Substitute House Bill No. 2156 (workforce training/aerospace). If the
24 bill is not enacted by June 30, 2012, the amount provided in this
25 subsection shall lapse.

26 (13) The state board for community and technical colleges shall not
27 use funds appropriated in this section to support intercollegiate
28 athletics programs.

29 (14) \$200,000 of the general fund--state appropriation for fiscal
30 year 2012 and \$1,851,000 of the general fund--state appropriation for
31 fiscal year 2013 is provided solely for implementation of the
32 customized training program under RCW 28B.67.020.

33 **Sec. 602.** 2011 2nd sp.s. c 9 s 602 (uncodified) is amended to read
34 as follows:

35 **FOR THE UNIVERSITY OF WASHINGTON**

36 General Fund--State Appropriation (FY 2012) ((\$201,388,000))
37 \$201,226,000

1	General Fund--State Appropriation (FY 2013)	((\$206,358,000))
2		<u>\$201,612,000</u>
3	Education Legacy Trust Account--State Appropriation	\$18,579,000
4	<u>Economic Development Strategic Reserve Account--</u>	
5	<u>State Appropriation</u>	<u>\$1,500,000</u>
6	Biotoxin Account--State Appropriation	\$450,000
7	Accident Account--State Appropriation	((\$6,699,000))
8		<u>\$6,681,000</u>
9	Medical Aid Account--State Appropriation	((\$6,502,000))
10		<u>\$6,488,000</u>
11	TOTAL APPROPRIATION	((\$439,976,000))
12		<u>\$436,536,000</u>

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

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

19 (2) \$150,000 of the general fund--state appropriation for fiscal
20 year 2012 and \$150,000 of the general fund--state appropriation for
21 fiscal year 2013 are provided solely for the development of integrated
22 medical curriculum for the Washington/Wyoming/Alaska/Montana/Idaho
23 (WWAMI) medical education program in Spokane and eastern Washington.
24 Funding is contingent on appropriations being provided to Washington
25 State University for WWAMI program expansion in Spokane and eastern
26 Washington.

27 (3) \$52,000 of the general fund--state appropriation for fiscal
28 year 2012 and \$52,000 of the general fund--state appropriation for
29 fiscal year 2013 are provided solely for the center for international
30 trade in forest products in the college of forest resources.

31 (4) \$88,000 of the general fund--state appropriation for fiscal
32 year 2012 is provided solely for implementation of Engrossed Second
33 Substitute Senate Bill No. 5485 (state's natural resources). If the
34 bill is not enacted by June 30, 2011, the amount provided in this
35 subsection shall lapse.

36 (5) \$143,000 of the general fund--state appropriation for fiscal
37 year 2012 and \$144,000 of the general fund--state appropriation for

1 fiscal year 2013 are provided solely for the ongoing management of the
2 Washington park arboretum.

3 (6) \$3,800,000 of the general fund--state appropriation for fiscal
4 year 2013 is provided solely for an expansion in engineering
5 enrollments, including enrollments in the field of computer science.
6 Amounts provided in this subsection may be used only to cover direct
7 costs of instruction associated with this enrollment expansion. By
8 June 30, 2012, the university shall provide a report to the legislature
9 that provides specific detail on how these amounts will be spent. Each
10 September 1st thereafter, the university shall provide an updated
11 report that provides specific detail on how these amounts were spent in
12 the preceding twelve months.

13 (7) Amounts appropriated in this section are sufficient for the
14 university to conduct a comprehensive review of its tuition waiver
15 policies. The resulting report shall include an overview of tuition
16 waiver uses and costs (forgone revenue) and outcomes and any
17 recommendations for changes to tuition waiver policy and shall be
18 provided to the legislature no later than December 1, 2012.

19 (8) \$610,000 of the general fund--state appropriation for fiscal
20 year 2012 is provided solely to expand health sciences capacity at the
21 University of Washington for Washington, Wyoming, Alaska, Montana,
22 Idaho (WWAMI) and \$190,000 of the general fund--state appropriation for
23 fiscal year 2012 is provided solely to expand health sciences capacity
24 at the University of Washington for Regional Initiatives in Dental
25 Education (RIDE) for the WWAMI-RIDE program expansion to achieve full
26 ramp-up of first-year medical students and dental students each year of
27 the four-year programs.

28 (9) The University of Washington shall not use funds appropriated
29 in this section to support intercollegiate athletics programs.

30 (10) Amounts appropriated in this section are sufficient to cover
31 the costs associated with the implementation of Engrossed Substitute
32 Senate Bill No. 6486 (collective bargaining for post-doctoral
33 researchers).

34 **Sec. 603.** 2011 2nd sp.s. c 9 s 603 (uncodified) is amended to read
35 as follows:

36 **FOR WASHINGTON STATE UNIVERSITY**
37 General Fund--State Appropriation (FY 2012) ((\$134,512,000))

1		<u>\$134,454,000</u>
2	General Fund--State Appropriation (FY 2013)	((\$136,087,000))
3		<u>\$133,692,000</u>
4	Education Legacy Trust Account--State Appropriation	\$33,065,000
5	TOTAL APPROPRIATION	((\$303,664,000))
6		<u>\$301,211,000</u>

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

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

13 (2) Within available funds, Washington State University shall serve
14 an additional cohort of fifteen full-time equivalent students in the
15 mechanical engineering program located at Olympic College.

16 (3) \$300,000 of the general fund--state appropriation for fiscal
17 year 2012 and \$300,000 of the general fund--state appropriation for
18 fiscal year 2013 are provided solely for the expansion of health
19 sciences capacity through the Washington/Wyoming/Alaska/Montana/Idaho
20 (WWAMI) medical education program in Spokane and eastern Washington.
21 Funding is contingent on appropriations being provided to the
22 University of Washington for integrated medical curriculum development
23 for WWAMI.

24 (4) \$3,800,000 of the general fund--state appropriation for fiscal
25 year 2013 is provided solely for an expansion in engineering
26 enrollments, including enrollments in the field of computer science,
27 including thirty additional full-time equivalent students in the
28 mechanical engineering program located at Olympic College. Amounts
29 provided in this subsection may be used only to cover direct costs of
30 instruction associated with this enrollment expansion. By June 30,
31 2012, the university shall provide a report to the legislature that
32 provides specific detail on how these amounts will be spent. Each June
33 30th thereafter, the university shall provide an updated report that
34 provides specific detail on how these amounts were spent in the
35 preceding twelve months.

36 (5) Amounts appropriated in this section are sufficient for the
37 university to conduct a comprehensive review of its tuition waiver
38 policies. The resulting report shall include an overview of tuition

1 waiver uses and costs (forgone revenue) and outcomes and any
2 recommendations for changes to tuition waiver policy and shall be
3 provided to the legislature no later than December 1, 2012.

4 (6) Washington State University shall not use funds appropriated in
5 this section to support intercollegiate athletics programs.

6 (7) Amounts appropriated in this section are sufficient to cover
7 the costs associated with the implementation of Engrossed Substitute
8 Senate Bill No. 6486 (collective bargaining for post-doctoral
9 researchers).

10 (8) \$25,000 of the general fund--state appropriation for fiscal
11 year 2012 and \$50,000 of the general fund--state appropriation for
12 fiscal year 2013 are provided solely for the Washington State
13 University extension energy program to conduct a study of densified
14 biomass as a renewable fuel used for heating homes, businesses, and
15 other facilities. A report of the findings shall be submitted to the
16 governor and the appropriate committees of the legislature by December
17 1, 2012.

18 **Sec. 604.** 2011 2nd sp.s. c 9 s 604 (uncodified) is amended to read
19 as follows:

20 **FOR EASTERN WASHINGTON UNIVERSITY**

21	General Fund--State Appropriation (FY 2012)	((\$26,257,000))
22		<u>\$26,239,000</u>
23	General Fund--State Appropriation (FY 2013)	((\$26,541,000))
24		<u>\$25,759,000</u>
25	Education Legacy Trust Account--State Appropriation	\$16,087,000
26	TOTAL APPROPRIATION	((\$68,885,000))
27		<u>\$68,085,000</u>

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

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

34 (2) At least \$200,000 of the general fund--state appropriation for
35 fiscal year 2012 and at least \$200,000 of the general fund--state
36 appropriation for fiscal year 2013 shall be expended on the Northwest
37 autism center.

1 (3) Amounts appropriated in this section are sufficient for the
2 university to conduct a comprehensive review of its tuition waiver
3 policies. The resulting report shall include an overview of tuition
4 waiver uses and costs (forgone revenue) and outcomes and any
5 recommendations for changes to tuition waiver policy and shall be
6 provided to the legislature no later than December 1, 2012.

7 (4) \$479,000 of the general fund--state appropriation for fiscal
8 year 2013 is provided solely for an expansion in enrollments in
9 science, technology, engineering and math as defined in RCW
10 28B.76.270(2)(k). Amounts provided in this subsection may be used only
11 to cover direct costs of instruction associated with this enrollment
12 expansion. By June 30, 2012, the university shall provide a report to
13 the legislature that provides specific detail on how these amounts will
14 be spent. Each September 1 thereafter, the college shall provide an
15 updated report that provides specific detail on how these amounts were
16 spent in the preceding twelve months.

17 (5) Eastern Washington University shall not use funds appropriated
18 in this section to support intercollegiate athletics programs.

19 **Sec. 605.** 2011 2nd sp.s. c 9 s 605 (uncodified) is amended to read
20 as follows:

21 **FOR CENTRAL WASHINGTON UNIVERSITY**

22	General Fund--State Appropriation (FY 2012)	(\$22,468,000)
23		<u>\$23,262,000</u>
24	General Fund--State Appropriation (FY 2013)	(\$22,525,000)
25		<u>\$22,720,000</u>
26	Education Legacy Trust Account--State Appropriation	\$19,076,000
27	TOTAL APPROPRIATION	(\$64,069,000)
28		<u>\$65,058,000</u>

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

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

35 (2) Amounts appropriated in this section are sufficient for the
36 university to conduct a comprehensive review of its tuition waiver
37 policies. The resulting report shall include an overview of tuition

1 waiver uses and costs (forgone revenue) and outcomes and any
2 recommendations for changes to tuition waiver policy and shall be
3 provided to the legislature no later than December 1, 2012.

4 (3) \$406,000 of the general fund--state appropriation for fiscal
5 year 2013 is provided solely for an expansion in enrollments in
6 science, technology, engineering and math as defined in RCW
7 28B.76.270(2)(k). Amounts provided in this subsection may be used only
8 to cover direct costs of instruction associated with this enrollment
9 expansion. By June 30, 2012, the university shall provide a report to
10 the legislature that provides specific detail on how these amounts will
11 be spent. Each September 1 thereafter, the college shall provide an
12 updated report that provides specific detail on how these amounts were
13 spent in the preceding twelve months.

14 (4) Central Washington University shall not use funds appropriated
15 in this section to support intercollegiate athletics programs.

16 **Sec. 606.** 2011 2nd sp.s. c 9 s 606 (uncodified) is amended to read
17 as follows:

18 **FOR THE EVERGREEN STATE COLLEGE**

19	General Fund--State Appropriation (FY 2012)	((\$15,595,000))
20		<u>\$15,634,000</u>
21	General Fund--State Appropriation (FY 2013)	((\$15,339,000))
22		<u>\$15,164,000</u>
23	Education Legacy Trust Account--State Appropriation	\$5,450,000
24	<u>Forest Fire Protection Assessment Account--State</u>	
25	<u>Appropriation</u>	<u>\$100,000</u>
26	TOTAL APPROPRIATION	((\$36,384,000))
27		<u>\$36,348,000</u>

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

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

34 (2) \$50,000 of the general fund--state appropriation for fiscal
35 year 2012 and \$25,000 of the general fund--state appropriation for
36 fiscal year 2013 are provided solely for the Washington state institute
37 for public policy to conduct a detailed study of the commitment of

1 sexually violent predators to the special commitment center pursuant to
2 chapter 71.09 RCW and the subsequent release of those persons to
3 less-restrictive alternatives.

4 (a) Specifically, the institute's study shall examine:

5 (i) The projected future demand for the special commitment center,
6 including profiles and characteristics of persons referred and
7 committed to the special commitment center since its inception, whether
8 the profiles of those persons have changed over time, and, given
9 current trends, the likelihood of the continuing rate of referral;

10 (ii) Residents' participation in treatment over time and the impact
11 of treatment on eventual release to a less-restrictive alternative;

12 (iii) The annual review process and the process for a committed
13 person to petition for conditional or unconditional release,
14 specifically:

15 (A) The time frames for conducting mandatory reviews;

16 (B) The role of the special commitment center clinical team;

17 (C) Options and standards utilized by other jurisdictions or
18 similar processes to conduct periodic reviews, including specialized
19 courts, parole boards, independent review boards, and other commitment
20 proceedings;

21 (iv) The capacity and future demand for appropriate less
22 restrictive alternatives for moving residents out of the special
23 commitment center, including:

24 (A) The capacity and demand for secure community transition
25 facilities;

26 (B) Options for specialized populations such as the elderly or
27 those with developmental disabilities and whether more cost-efficient
28 options might be used to house those populations while keeping the
29 public safe;

30 (C) Prospects for moving residents to noninstitutionalized settings
31 beyond a secure community transition facility.

32 (b) The department of social and health services shall cooperate
33 with the institute in conducting its examination and must provide the
34 institute with requested data and records in a timely manner.

35 (c) The institute shall provide a status report to the governor and
36 the legislature no later than November 1, 2011, with a final report due
37 no later than November 1, 2012.

1 (3) \$50,000 of the general fund--state appropriation for fiscal
2 year 2012 and \$50,000 of the general fund--state appropriation for
3 fiscal year 2013 are provided solely for the institute for public
4 policy to provide research support to the council on quality education.

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

17 (5) Funding provided in this section is sufficient for The
18 Evergreen State College to continue operations of the Longhouse Center
19 and the Northwest Indian applied research institute.

20 (6) If, and to the extent that private funding is available for
21 this purpose, the Washington state institute for public policy shall
22 study and report on the child welfare and educational characteristics
23 and outcomes for foster youth who are served by educational advocates.
24 The department of social and health services and the office of the
25 superintendent of public instruction shall facilitate researchers'
26 access to data necessary to effectively complete the study. The
27 institute shall submit an interim report with baseline characteristics
28 of youth served by educational advocates by December 2011 and a final
29 report by October 31, 2012, to the governor and to the appropriate
30 committees of the legislature.

31 (7) \$75,000 of the general fund--state appropriation for fiscal
32 year 2012 is provided to the Washington state institute for public
33 policy (WSIPP) to conduct a review of state investments in the family
34 caregiver and support program. Funding for this program is provided by
35 assumed savings from diverting seniors from entering into long-term
36 care medicaid placements by supporting informal caregivers. WSIPP
37 shall work with the department of social and health services to
38 establish and review outcome data for this investment. A preliminary

1 report on the outcomes of the investment into this program is due to
2 the appropriate legislative committees by December 15, 2011, and a
3 final report is due to the appropriate legislative committees by August
4 30, 2012.

5 (8) \$50,000 of the general fund--state appropriation for fiscal
6 year 2013 is provided solely to implement Second Substitute House Bill
7 No. 2264 (child welfare/contracting). If the bill is not enacted by
8 June 30, 2012, the amount provided in this subsection shall lapse.

9 (9) Amounts appropriated in this section are sufficient for the
10 college to conduct a comprehensive review of its tuition waiver
11 policies. The resulting report shall include an overview of tuition
12 waiver uses and costs (forgone revenue) and outcomes and any
13 recommendations for changes to tuition waiver policy and shall be
14 provided to the legislature no later than December 1, 2012.

15 (10) \$276,000 of the general fund--state appropriation for fiscal
16 year 2013 is provided solely for an expansion in enrollments in
17 science, technology, engineering and math as defined in RCW
18 28B.76.270(2)(k). Amounts provided in this subsection may be used only
19 to cover direct costs of instruction associated with this enrollment
20 expansion. By June 30, 2012, the college shall provide a report to the
21 legislature that provides specific detail on how these amounts will be
22 spent. Each September 1 thereafter, the college shall provide an
23 updated report that provides specific detail on how these amounts were
24 spent in the preceding twelve months.

25 (11) \$17,000 of the general fund--state appropriation for fiscal
26 year 2013 are provided solely to implement Substitute Senate Bill No.
27 6492 (competency to stand trial). If the bill is not enacted by June
28 30, 2012, the amount provided in this subsection shall lapse.

29 (12) \$40,000 of the general fund--state appropriation for fiscal
30 year 2012 and \$60,000 of the general fund--state appropriation for
31 fiscal year 2013 are provided solely for the Washington state institute
32 for public policy to conduct a longitudinal study of the state need
33 grant program. The purpose of this study is to determine to what
34 extent this program has increased access and degree attainment for low-
35 income students and to determine whether the funding for the state need
36 grant has been utilized in the most efficient way possible to maximize
37 the enrollment and degree attainment of low-income students. This
38 study shall include, but not be limited to, a review of the following:

1 (a) The demographics of recipients of the state need grant program,
2 including, but not limited to, gender, race, and income; (b) the effect
3 of the state need grant on enrollment rates of low-income students at
4 the different institutions of higher education and whether these
5 students attend full-time or part-time; (c) the effect of the state
6 need grant on recipients' persistence, performance, degree or
7 certificate completion, and time to degree or certificate completion at
8 the different institutions of higher education; (d) an inventory of the
9 types of degrees and certifications at the different institutions of
10 higher education, by field of study, obtained by recipients; and (e)
11 the interplay of the state need grant program with other forms of
12 financial aid and the effect of this interplay on access and degree
13 attainment of low-income students. A preliminary report of the
14 findings shall be submitted to the governor and the appropriate
15 committees of the legislature by December 1, 2012. A final report of
16 the findings shall be submitted to the governor and the appropriate
17 committees of the legislature by December 1, 2013. The preliminary
18 report shall provide a comparison of Washington's state need grant
19 program to similar programs in other states. The reports shall include
20 recommendations for using more efficiently the funds provided to the
21 state need grant program to increase access and degree attainment of
22 low-income students. To the maximum extent possible, this report shall
23 disaggregate the demographic and institution specific data in a manner
24 that will inform policymakers of the enrollment patterns and success of
25 specific subsets of recipients within the different institutions of
26 higher education. The higher education coordinating board, or its
27 successor agency, the education data center, and the institutions of
28 higher education shall cooperate with the Washington state institute
29 for public policy in the conduct of this study and shall provide to the
30 institute the necessary data and information to complete this study.

31 (13) \$15,000 of the general fund--state appropriation for fiscal
32 year 2012 and \$50,000 of the general fund--state appropriation for
33 fiscal year 2013 are provided solely for the Washington state institute
34 for public policy to conduct an evaluation of the benefits provided in
35 the pension plans offered by public employers in the state.

36 (a) Specifically, the study shall examine:

37 (i) The level of benefits offered by the state retirement plans and

1 retirement plans sponsored by local government employers relative to
2 the benefits provided in other states;

3 (ii) The adequacy of pension benefits provided to public employees,
4 including barriers to retirement;

5 (iii) Barriers to the portability of retirement benefits between
6 public employers in the state, including opportunities to improve
7 benefit portability and compatibility; and

8 (iv) The treatment of overtime earnings in public employee
9 retirement plans relative to the treatment of earnings in other states,
10 including the impact of excess compensation on state retirement system
11 contribution rates with a particular emphasis on agencies that operate
12 on a 24-hour basis, such as the state patrol, ferry system, and state
13 prisons.

14 (b) In conducting the study, the institute shall collaborate with
15 the office of the state actuary and shall solicit input from local
16 government plan sponsors.

17 (c) The institute shall report its findings to the select committee
18 on pension policy and the committees on ways and means of the house of
19 representatives and the senate by December 1, 2012.

20 (14) \$5,000 of the general fund--state appropriation for fiscal
21 year 2012 and \$10,000 of the general fund--state appropriation for
22 fiscal year 2013 are provided solely for the Washington state institute
23 for public policy to assess the potential costs and benefits of
24 implementing the national academy of pediatricians' "bright futures"
25 recommended schedule of well-child visits, developmental, and autism
26 screenings in state medical assistance programs. The assessment shall
27 be conducted in consultation with subject area experts, and shall
28 include an estimate of the full cost of implementing the revised
29 standards; identification and estimation of the fiscal and nonfiscal
30 benefits; and computation of an estimated return on investment. The
31 health care authority shall provide the institute with confidential
32 access to claims and encounter data as necessary to complete this
33 project. The institute shall report its finding to the relevant policy
34 and fiscal committees of the legislature by December 31, 2012.

35 (15) The Evergreen State College shall not use funds appropriated
36 in this section to support intercollegiate athletics programs.

37 (16) \$46,000 of the general fund--state appropriation for fiscal
38 year 2013 is provided solely for the implementation of section 10 of

1 Engrossed Substitute House Bill No. 2363 (domestic violence). If the
2 bill is not enacted by June 30, 2012, the amount provided in this
3 subsection shall lapse.

4 (17) The Washington state institute for public policy shall conduct
5 a review of the evaluation literature to determine the effectiveness of
6 chemical dependency programs delivered in adult criminal justice and
7 juvenile justice systems. The review shall identify characteristics of
8 chemical dependency programs that are cost-effective at reducing crime
9 and substance abuse. Specifically, the review will include an
10 examination of the types of chemical dependency treatments, including
11 residential and outpatient treatments; the efficacy of aftercare
12 following formal treatment; and the impact of the duration of treatment
13 on outcomes. The department of corrections and the department of
14 social and health services shall provide information identified by the
15 institute as necessary to complete this review. A report on the
16 outcomes of the study is due to the appropriate legislative committees
17 by December 15, 2012.

18 (18) \$100,000 of the forest fire protection assessment account--
19 state appropriation is provided solely for the Washington state
20 institute of public policy to conduct a detailed analysis of potential
21 mechanisms for reducing the amount of and variation in the state's fire
22 suppression costs. The detailed analysis must include: (a) An
23 examination of Oregon's excess forest fire suppression cost insurance
24 program and analysis of the potential application of this model in
25 Washington, including the necessary steps for implementation and
26 potential costs and benefits to the state; and (b) an examination of
27 Washington's total and marginal costs related to staffing and overtime
28 and whether these total or marginal costs are in excess of market
29 rates. The Washington state institute of public policy must provide
30 the detailed analysis to the appropriate committees of the senate and
31 house of representatives by December 1, 2012.

32 **Sec. 607.** 2011 2nd sp.s. c 9 s 607 (uncodified) is amended to read
33 as follows:

34 **FOR WESTERN WASHINGTON UNIVERSITY**

35	General Fund--State Appropriation (FY 2012)	(((\$33,754,000))
36		\$33,728,000
37	General Fund--State Appropriation (FY 2013)	(((\$33,743,000))

1		<u>\$32,783,000</u>
2	Education Legacy Trust Account--State	
3	Appropriation	((<u>\$13,266,000</u>))
4		<u>\$13,204,000</u>
5	TOTAL APPROPRIATION	((<u>\$80,763,000</u>))
6		<u>\$79,715,000</u>

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

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

13 (2) Amounts appropriated in this section are sufficient for the
14 university to conduct a comprehensive review of its tuition waiver
15 policies. The resulting report shall include an overview of tuition
16 waiver uses and costs (forgone revenue) and outcomes and any
17 recommendations for changes to tuition waiver policy and shall be
18 provided to the legislature no later than December 1, 2012.

19 (3) \$606,000 of the general fund--state appropriation for fiscal
20 year 2013 is provided solely for an expansion in enrollments in
21 science, technology, engineering and math as defined in RCW
22 28B.76.270(2)(k). Amounts provided in this subsection may be used only
23 to cover direct costs of instruction associated with this enrollment
24 expansion. By June 30, 2012, the university shall provide a report to
25 the legislature that provides specific detail on how these amounts will
26 be spent. Each September 1 thereafter, the college shall provide an
27 updated report that provides specific detail on how these amounts were
28 spent in the preceding twelve months.

29 (4) Western Washington University shall not use funds appropriated
30 in this section to support intercollegiate athletics programs.

31 NEW SECTION. Sec. 608. 2011 2nd sp.s. c 9 s 610 (uncodified) and
32 2011 1st sp.s. c 50 s 614 (uncodified) are repealed.

33 NEW SECTION. Sec. 609. 2011 2nd sp.s. c 9 s 611 (uncodified) and
34 2011 1st sp.s. c 50 s 615 (uncodified) are repealed.

1 by December 1, 2013, regarding the number of students enrolled in three
2 to five credit-bearing quarter credits, or the equivalent semester
3 credits, and their academic progress including degree completion.
4 Awards for all students shall be adjusted by the estimated amount by
5 which Pell grant increases exceed projected increases in the
6 noninstructional costs of attendance. Awards for students with incomes
7 between 51 and 70 percent of the state median shall be prorated at the
8 following percentages of the award amount granted to those with incomes
9 below 51 percent of the MFI: 70 percent for students with family
10 incomes between 51 and 55 percent MFI; 65 percent for students with
11 family incomes between 56 and 60 percent MFI; 60 percent for students
12 with family incomes between 61 and 65 percent MFI; and 50 percent for
13 students with family incomes between 66 and 70 percent MFI.

14 (3) For fiscal year 2012, the board shall defer loan or conditional
15 scholarship repayments to the future teachers conditional scholarship
16 and loan repayment program for up to one year for each participant if
17 the participant has shown evidence of efforts to find a teaching job
18 but has been unable to secure a teaching job per the requirements of
19 the program.

20 (4) \$500,000 of the general fund--state appropriation for fiscal
21 year 2012 is provided solely for the leadership 1000 program.

22 (5) \$2,436,000 of the general fund--state appropriation for fiscal
23 year 2012 is provided solely for the passport to college program. The
24 maximum scholarship award shall be \$5,000. The board shall contract
25 with a nonprofit organization to provide support services to increase
26 student completion in their postsecondary program and shall, under this
27 contract provide a minimum of \$500,000 in fiscal year 2012. Any
28 amounts provided in this subsection that remain unobligated at the
29 close of fiscal year 2012 must be transferred to the state education
30 trust account in RCW 28B.92.140 for purposes of the passport to college
31 program.

32 (6) \$250,000 of the general fund--state appropriation for fiscal
33 year 2012 is provided solely for implementation of the aerospace
34 training scholarship and student loan program as specified in Engrossed
35 Substitute House Bill No. 1846 (aerospace student loans). If this bill
36 is not enacted by June 30, 2011, the amount provided in this subsection
37 shall lapse.

1 NEW SECTION. Sec. 612. A new section is added to 2011 1st sp.s.
2 c 50 (uncodified) to read as follows:

3 **FOR THE STUDENT ACHIEVEMENT COUNCIL--POLICY COORDINATION AND**
4 **ADMINISTRATION**

5	General Fund--State Appropriation (FY 2013)	\$4,934,000
6	General Fund--Federal Appropriation	\$2,376,000
7	TOTAL APPROPRIATION	\$7,310,000

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

10 (1) The student achievement council is authorized to increase or
11 establish fees for initial degree authorization, degree authorization
12 renewal, degree authorization reapplication, new program applications,
13 and new site applications pursuant to RCW 28B.85.060.

14 (2) \$1,043,000 of the general fund--state appropriation for fiscal
15 year 2013 is provided solely for the implementation of Engrossed Second
16 Substitute House Bill No. 2483 (higher education coordination). If the
17 bill is not enacted by June 30, 2012, the amount provided in this
18 subsection shall lapse.

19 NEW SECTION. Sec. 613. A new section is added to 2011 1st sp.s.
20 c 50 (uncodified) to read as follows:

21 **FOR THE STUDENT ACHIEVEMENT COUNCIL--OFFICE OF STUDENT FINANCIAL**
22 **ASSISTANCE**

23	General Fund--State Appropriation (FY 2013)	\$247,034,000
24	General Fund--Federal Appropriation	\$5,812,000
25	Washington Opportunity Pathways Account--State	
26	Appropriation	\$73,500,000
27	TOTAL APPROPRIATION	\$326,346,000

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

30 (1) \$237,018,000 of the general fund--state appropriation for
31 fiscal year 2013, and \$73,500,000 of the opportunity pathways account--
32 state appropriation are provided solely for student financial aid
33 payments under the state need grant and the state work study programs
34 including up to a four percent administrative allowance for the state
35 work study program.

36 (2) Within the funds appropriated in this section, eligibility for
37 the state need grant shall include students with family incomes at or

1 below 70 percent of the state median family income (MFI), adjusted for
2 family size, and shall include students enrolled in three to five
3 credit-bearing quarter credits, or the equivalent semester credits.
4 The higher education coordinating board shall report to the legislature
5 by December 1, 2013, regarding the number of students enrolled in three
6 to five credit-bearing quarter credits, or the equivalent semester
7 credits, and their academic progress including degree completion.
8 Awards for all students shall be adjusted by the estimated amount by
9 which Pell grant increases exceed projected increases in the
10 noninstructional costs of attendance. Awards for students with incomes
11 between 51 and 70 percent of the state median shall be prorated at the
12 following percentages of the award amount granted to those with incomes
13 below 51 percent of the MFI: 70 percent for students with family
14 incomes between 51 and 55 percent MFI; 65 percent for students with
15 family incomes between 56 and 60 percent MFI; 60 percent for students
16 with family incomes between 61 and 65 percent MFI; and 50 percent for
17 students with family incomes between 66 and 70 percent MFI.

18 (3) \$1,250,000 of the general fund--state appropriation for fiscal
19 year 2013 is provided solely for implementation of the aerospace
20 training scholarship and student loan program as specified in Engrossed
21 Substitute House Bill No. 1846 (aerospace student loans). If the bill
22 is not enacted by June 30, 2012, the amount provided in this subsection
23 shall lapse.

24 (4) For fiscal year 2013, the board shall defer loan or conditional
25 scholarship repayments to the future teachers conditional scholarship
26 and loan repayment program for up to one year for each participant if
27 the participant has shown evidence of efforts to find a teaching job
28 but has been unable to secure a teaching job per the requirements of
29 the program.

30 (5) \$1,000,000 of the education legacy trust account--state
31 appropriation is provided solely for the gaining early awareness and
32 readiness for undergraduate programs project.

33 (6) \$1,500,000 of the general fund--state appropriation for fiscal
34 year 2013 is provided solely for the leadership 1000 program.

35 (7) \$2,436,000 of the general fund--state appropriation for fiscal
36 year 2013 is provided solely for the passport to college program. The
37 maximum scholarship award shall be \$5,000. The board shall contract
38 with a nonprofit organization to provide support services to increase

1 student completion in their postsecondary program and shall, under this
2 contract, provide a minimum of \$500,000 in fiscal year 2013 for this
3 purpose.

4 (8) In addition to the entities listed in RCW 28B.122.010, the
5 aerospace student loan program may provide loans to students attending
6 an aerospace training program at Renton technical college.

7 (9) The office of student financial assistance and the department
8 of health shall prioritize a portion of any nonfederal balances in the
9 health professional loan repayment and scholarship fund for conditional
10 loan repayment contracts with psychiatrists and with advanced
11 registered nurse practitioners for work at one of the state-operated
12 psychiatric hospitals. The office and department shall designate the
13 state hospitals as health professional shortage areas if necessary for
14 this purpose. The office of student financial assistance shall
15 coordinate with the department of social and health services to
16 effectively incorporate these conditional loan repayments into the
17 department's advanced psychiatric professional recruitment and
18 retention strategies.

19 (10) \$50,000 of the amount provided in this section shall be used
20 to convene the higher education loan program work group. The work
21 group shall develop methods for funding the loan program in the future,
22 as well as recommendations regarding the best loan program structure
23 for providing financial aid to underserved populations. The work group
24 shall seek out technical advice from the housing finance commission.
25 At a minimum, the recommendations regarding the proposed loan program
26 must take into account the following: Whether students could benefit
27 from the creation of a new student loan program; the relationship
28 between the student loan program and the state need grant program and
29 the state need grant qualified student population; mechanisms to
30 achieve interest rates that are below those offered in federally
31 guaranteed and private bank student loans; sources of initial and
32 on-going funding for loans and program operation; and default risks,
33 reserve requirements, and other conditions required for the student
34 loan program. The work group shall provide a report to the legislature
35 no later than December 1, 2012.

36 **Sec. 614.** 2011 1st sp.s. c 50 s 616 (uncodified) is amended to
37 read as follows:

1 **FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD**

2	General Fund--State Appropriation (FY 2012)	((\$1,382,000))
3		<u>\$1,310,000</u>
4	General Fund--State Appropriation (FY 2013)	((\$1,388,000))
5		<u>\$1,345,000</u>
6	General Fund--Federal Appropriation	((\$62,758,000))
7		<u>\$62,733,000</u>
8	TOTAL APPROPRIATION	((\$65,528,000))
9		<u>\$65,388,000</u>

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

12 (1) For the 2011-2013 fiscal biennium the board shall not designate
13 recipients of the Washington award for vocational excellence or
14 recognize them at award ceremonies as provided in RCW 28C.04.535.

15 (2) \$36,000 of the general fund--state appropriation for fiscal
16 year 2013 is provided solely for the implementation of Second
17 Substitute House Bill No. 2156 (workforce training/aerospace). If this
18 bill is not enacted by June 30, 2012, the amount provided in the
19 subsection shall lapse.

20 **Sec. 615.** 2011 2nd sp.s. c 9 s 612 (uncodified) is amended to read
21 as follows:

22 **FOR THE DEPARTMENT OF EARLY LEARNING**

23	General Fund--State Appropriation (FY 2012)	((\$27,571,000))
24		<u>\$25,497,000</u>
25	General Fund--State Appropriation (FY 2013)	((\$27,558,000))
26		<u>\$27,190,000</u>
27	General Fund--Federal Appropriation	((\$261,753,000))
28		<u>\$280,619,000</u>
29	Opportunity Pathways Account--State Appropriation . . .	((\$80,000,000))
30		<u>\$78,000,000</u>
31	<u>Home Visiting Services Account--Federal Appropriation</u>	<u>\$300,000</u>
32	TOTAL APPROPRIATION	((\$396,882,000))
33		<u>\$411,606,000</u>

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

36 (1) \$16,028,000 of the general fund--state appropriation for fiscal
37 year 2012, ((~~\$16,028,000~~)) \$18,028,000 of the general fund--state

1 appropriation of fiscal year 2013, (~~(\$80,000,000)~~) \$78,000,000 of the
2 opportunity pathways account appropriation, and \$2,256,000 of the
3 general fund--federal appropriation are provided solely for the early
4 childhood education assistance program services. Of these amounts,
5 \$10,284,000 is a portion of the biennial amount of state maintenance of
6 effort dollars required to receive federal child care and development
7 fund grant dollars.

8 (2) In accordance to RCW 43.215.255(2) and 43.135.055, the
9 department is authorized to increase child care center and child care
10 family home licensure fees in fiscal years 2012 and 2013 for costs to
11 the department for the licensure activity, including costs of necessary
12 inspection. These increases are necessary to support expenditures
13 authorized in this section.

14 (3) (~~(\$638,000)~~) \$64,000 of the general fund--state appropriation
15 for fiscal year 2012 (~~and~~), \$638,000 of the general fund--state
16 appropriation for fiscal year 2013, and \$574,000 of the general fund--
17 federal appropriation are provided solely for child care resource and
18 referral network services.

19 (4) \$200,000 of the general fund--state appropriation for fiscal
20 year 2012 and \$200,000 of the general fund--state appropriation for
21 fiscal year 2013 are provided solely to develop and provide culturally
22 relevant supports for parents, family, and other caregivers.

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

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

37 (7) \$934,000 of the general fund--state appropriation for fiscal
38 year 2012, \$934,000 of the general fund--state appropriation for fiscal

1 year 2013, and \$2,400,000 of the general fund--federal appropriation
2 are provided solely for expenditure into the home visiting services
3 account. This funding is intended to meet federal maintenance of
4 effort requirements and to secure private matching funds.

5 (a) All federal funds received by the department for home visiting
6 activities must be deposited into the home visiting services account.

7 (b) The department must consult with stakeholders during the
8 development of the Washington home visiting plan and any future
9 proposals for federal funding.

10 (c) No more than \$300,000 of the home visiting services account--
11 federal appropriation may be expended for program administration for
12 fiscal year 2013 pursuant to RCW 43.215.130. No other funds may be
13 expended for that purpose.

14 (8)(a) \$153,558,000 of the general fund--federal appropriation is
15 provided solely for the working connections child care program under
16 RCW 43.215.135.

17 (b) In addition to groups that were given prioritized access to the
18 working connections child care program effective March 1, 2011, the
19 department shall also give prioritized access into the program to
20 families in which a parent of a child in care is a minor who is not
21 living with a parent or guardian and who is a full-time student in a
22 high school that has a school-sponsored on-site child care center.

23 (9)(a) \$50,000 of the general fund--state appropriation for fiscal
24 year 2012 and \$1,050,000 of the general fund--state appropriation for
25 fiscal year 2013 are provided solely for implementation and
26 administration of an electronic benefit transfer system. The system
27 shall include electronic time keeping, integrated with an eligibility
28 information technology system, and an electronic payment system. The
29 department shall coordinate implementation of this system with the
30 department of social and health services.

31 (b) \$100,000 of the general fund--state appropriation in this
32 subsection is provided solely for the department to contract for an
33 independent consultant to evaluate and recommend the optimum system for
34 the eligibility determination process. The evaluation must include an
35 analysis of lean management processes that, if adopted, could improve
36 the cost effectiveness and delivery of eligibility determination. The
37 department shall coordinate with the department of social and health

1 services for this evaluation. The department must report to the office
2 of financial management and the appropriate fiscal and policy
3 committees of the legislature by December 1, 2012.

4 (10) Within available amounts, the department in consultation with
5 the office of financial management and the department of social and
6 health services shall report quarterly enrollments and active caseload
7 for the working connections child care program to the legislative
8 fiscal committees and the legislative-executive WorkFirst oversight
9 task force. The report shall also identify the number of cases
10 participating in both temporary assistance for needy families and
11 working connections child care.

12 ((+10)) (11) \$1,025,000 of the general fund--state appropriation
13 for fiscal year 2013 and \$6,712,000 of the general fund--federal
14 appropriation are provided solely for the seasonal child care program
15 in fiscal year 2013.

16 (12) \$2,522,000 of the general fund--state appropriation for fiscal
17 year 2012, \$2,522,000 of the general fund--state appropriation for
18 fiscal year 2013, and \$4,304,000 of the general fund--federal
19 appropriation are provided solely for the medicaid treatment child care
20 (MTCC) program. The department shall contract for MTCC services to
21 provide therapeutic child care and other specialized treatment services
22 to abused, neglected, at-risk, and/or drug-affected children. Priority
23 for services shall be given to children referred from the department of
24 social and health services children's administration. In addition to
25 referrals made by children's administration, the department shall
26 authorize services for children referred to the MTCC program, as long
27 as the children meet the eligibility requirements as outlined in the
28 Washington state plan for the MTCC program. Of the amounts
29 appropriated in this subsection, \$60,000 per fiscal year may be used by
30 the department for administering the MTCC program, if needed.

31 (13)(a) The department shall establish a birth-to-three
32 subcommittee of the early learning advisory council. The subcommittee
33 will be cochaired by the department and nongovernmental private-public
34 partnership created in RCW 43.215.070. The subcommittee shall include
35 at least one representative from each of the following:

36 (i) The early learning advisory council;

37 (ii) The office of the superintendent of public instruction;

38 (iii) The department of social and health services;

1 (iv) The department of early learning;

2 (v) The nongovernmental private-public partnership created in RCW
3 43.215.070;

4 (vi) The early learning action alliance; and

5 (vii) Additional stakeholders with expertise in birth-to-three
6 policy and programs and quality child care, as designated by the early
7 learning advisory council.

8 (b) The subcommittee may convene advisory subgroups on specific
9 topics as necessary to assure participation and input from a broad
10 array of diverse stakeholders.

11 (c) The subcommittee shall be monitored and overseen by the early
12 learning advisory council created in RCW 43.215.090.

13 (d) The subcommittee shall develop a birth-to-three implementation
14 proposal, which shall include further development of the Washington
15 state birth-to-three plan.

16 (e) The subcommittee must include recommendations on the following
17 in its birth-to-three proposal:

18 (i) Eligibility criteria for providers and programs;

19 (ii) The level of funding necessary to implement birth-to-three
20 programs, including an option which makes available funding equivalent
21 to thirty percent of the funding provided for the program of early
22 learning established in RCW 43.215.141;

23 (iii) Options for funding sources for birth-to-three programs;

24 (iv) Governance responsibilities for the department of early
25 learning; and

26 (v) A timeline for implementation that is concurrent with the
27 expansion to the early learning program outlined in RCW 43.215.142.

28 The subcommittee must present its recommendations to the early
29 learning advisory council and the appropriate committees of the
30 legislature by December 1, 2012.

31 (14) \$300,000 of the general fund--federal appropriation is
32 provided solely for a contract with a nonprofit entity experienced in
33 the provision of promoting early literacy for children through
34 pediatric office visits.

35 **Sec. 616.** 2011 2nd sp.s. c 9 s 613 (uncodified) is amended to read
36 as follows:

1 **FOR THE STATE SCHOOL FOR THE BLIND**

2	General Fund--State Appropriation (FY 2012)	((\$5,782,000))
3		<u>\$5,776,000</u>
4	General Fund--State Appropriation (FY 2013)	((\$5,749,000))
5		<u>\$5,671,000</u>
6	((General Fund--Private/Local Appropriation	\$1,961,000))
7	TOTAL APPROPRIATION	((\$13,492,000))
8		<u>\$11,447,000</u>

9 ~~((The appropriations in this section are subject to the following~~
10 ~~conditions and limitations: \$271,000 of the general fund--~~
11 ~~private/local appropriation is provided solely for the school for the~~
12 ~~blind to offer short course programs, allowing students the opportunity~~
13 ~~to leave their home schools for short periods and receive intensive~~
14 ~~training. The school for the blind shall provide this service to the~~
15 ~~extent that it is funded by contracts with school districts and~~
16 ~~educational services districts.))~~

17 **Sec. 617.** 2011 2nd sp.s. c 9 s 614 (uncodified) is amended to read
18 as follows:

19 **FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING**
20 **LOSS**

21	General Fund--State Appropriation (FY 2012)	((\$8,449,000))
22		<u>\$8,439,000</u>
23	General Fund--State Appropriation (FY 2013)	((\$8,446,000))
24		<u>\$8,335,000</u>
25	((General Fund--Private/Local Appropriation	\$526,000))
26	TOTAL APPROPRIATION	((\$17,421,000))
27		<u>\$16,774,000</u>

28 **Sec. 618.** 2011 2nd sp.s. c 9 s 615 (uncodified) is amended to read
29 as follows:

30 **FOR THE WASHINGTON STATE ARTS COMMISSION**

31	General Fund--Federal Appropriation	\$2,065,000
32	General Fund--Private/Local Appropriation	\$1,056,000
33	Washington State Heritage Center Account--State	
34	Appropriation	((\$2,213,000))
35		<u>\$2,186,000</u>
36	TOTAL APPROPRIATION	((\$5,334,000))

1 \$5,307,000

2 **Sec. 619.** 2011 2nd sp.s. c 9 s 616 (uncodified) is amended to read
3 as follows:

4 **FOR THE WASHINGTON STATE HISTORICAL SOCIETY**
5 Washington State Heritage Center Account--State
6 Appropriation (~~(\$4,241,000)~~)
7 \$4,204,000

8 **Sec. 620.** 2011 2nd sp.s. c 9 s 617 (uncodified) is amended to read
9 as follows:

10 **FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY**
11 Washington State Heritage Center Account--State
12 Appropriation (~~(\$2,962,000)~~)
13 \$2,957,000

(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

Table with 2 columns: Description and Amount. Rows include General Fund--State Appropriation (FY 2012), General Fund--State Appropriation (FY 2013), State Building Construction Account--State Appropriation, Columbia River Basin Water Supply Development Account--State Appropriation, Hood Canal Aquatic Rehabilitation Bond Account--State Appropriation, State Taxable Building Construction Account--State Appropriation, Gardner-Evans Higher Education Construction Account--State Appropriation, Debt-Limit Reimbursable Bond Retire Account--State Appropriation, and TOTAL APPROPRIATION.

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

1 **BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO**
2 **BE REIMBURSED AS PRESCRIBED BY STATUTE**

3	General Fund--State Appropriation (FY 2012)	((\$27,516,000))
4		<u>\$27,400,000</u>
5	General Fund--State Appropriation (FY 2013)	((\$30,758,000))
6		<u>\$30,572,000</u>
7	Nondebt-Limit Reimbursable Bond Retirement	
8	Account--State Appropriation	\$140,128,000
9	TOTAL APPROPRIATION	((\$198,402,000))
10		<u>\$198,100,000</u>

11 The appropriations in this section are subject to the following
12 conditions and limitations: The general fund appropriation is for
13 expenditure into the nondebt-limit general fund bond retirement
14 account. The entire general fund--state appropriation for fiscal year
15 2012 shall be expended into the nondebt-limit general fund bond
16 retirement account by June 30, 2012.

17 **Sec. 703.** 2011 1st sp.s. c 50 s 715 (uncodified) is amended to
18 read as follows:

19 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EXTRAORDINARY CRIMINAL JUSTICE**
20 **COSTS**

21	General Fund--State Appropriation (FY 2012)	((\$591,000))
22		<u>\$1,102,000</u>

23 The appropriation in this section is subject to the following
24 conditions and limitations: The director of financial management shall
25 distribute ((~~\$338,000~~)) \$501,000 to Franklin county, \$128,000 to
26 Jefferson county, ((and)) \$125,000 to Okanogan county, \$161,000 to
27 Yakima county, and \$187,000 to King county for extraordinary criminal
28 justice costs.

29 NEW SECTION. **Sec. 704.** 2011 2nd sp.s. c 9 s 705 (uncodified) is
30 repealed.

31 NEW SECTION. **Sec. 705.** 2011 2nd sp.s. c 9 s 707 (uncodified) is
32 repealed.

33 NEW SECTION. **Sec. 706.** A new section is added to 2011 1st sp.s.
34 c 50 (uncodified) to read as follows:

1 **FOR THE DEPARTMENT OF NATURAL RESOURCES--DISTRIBUTION OF EXCESS FUNDS**
2 **FROM THE FOREST DEVELOPMENT ACCOUNT**

3 Forest Development Account--State Appropriation \$10,000,000

4 The appropriation in this section is provided solely for
5 distribution of state forest land revenues to taxing authorities that
6 received such revenue from fiscal year 2002 through fiscal year 2011
7 and is subject to the following conditions and limitations:

8 (1) Within fifteen days of the effective date of this section, the
9 department shall transmit funds in the amounts specified in subsection
10 (3) of this section to the county treasurers of the counties receiving
11 the funds.

12 (2) The county treasurers of the counties listed in this section
13 shall distribute funds received from this appropriation to taxing
14 authorities in proportion to the state forest transfer land funds
15 distributed to the taxing authorities based on information available
16 for the fiscal years 2002 through 2011. Funds to be credited to the
17 state of Washington and funds credited to school district general
18 levies shall be remitted to the state of Washington within thirty days
19 after the effective date of this section for deposit into the state
20 general fund.

21 (3) Funds shall be distributed in the following amounts:

22	Clallam	\$848,854
23	Clark	\$630,368
24	Cowlitz	\$418,159
25	Grays Harbor	\$266,365
26	Jefferson	\$239,722
27	King	\$328,725
28	Kitsap	\$73,839
29	Klickitat	\$197,968
30	Lewis	\$887,679
31	Mason	\$425,935
32	Okanogan	\$4
33	Pacific	\$352,540
34	Pierce	\$334,179
35	Skagit	\$1,534,497

1	Skamania	\$66,648
2	Snohomish	\$1,565,549
3	Stevens	\$6,709
4	Thurston	\$783,735
5	Wahkiakum	\$285,339
6	Whatcom	\$753,186
7	Total	\$10,000,000

8 NEW SECTION. **Sec. 707.** A new section is added to 2011 1st sp.s.
9 c 50 (uncodified) to read as follows:

10 **FOR SUNDRY CLAIMS**

11 The following sums, or so much thereof as may be necessary, are
12 appropriated from the general fund for fiscal year 2012, unless
13 otherwise indicated, for relief of various individuals, firms, and
14 corporations for sundry claims. These appropriations are to be
15 disbursed on vouchers approved by the director of financial management,
16 except as otherwise provided, for reimbursement of criminal defendants
17 acquitted on the basis of self-defense, pursuant to RCW 9A.16.110, as
18 follows:

- 19 (1) Clint L. Powell, Jr., claim number 99970048 \$58,155.10
- 20 (2) Chance L. Hawkins, claim number 99970049 \$28,838.95
- 21 (3) Edgar L. Hawkins, claim number 99970050 \$25,507.00
- 22 (4) James Abbott, claim number 99970051 \$9,880.00
- 23 (5) Richard Frisk, claim number 99970052 \$32,788.50
- 24 (6) Brian Barnd-Spjut, claim number 99970053 \$122,821.79

25 NEW SECTION. **Sec. 708.** A new section is added to 2011 1st sp.s.
26 c 50 (uncodified) to read as follows:

27 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--INCOME AND TAX BURDEN STUDY**

28 General Fund--State Appropriation (FY 2013) \$50,000

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

- 31 (1) The entire appropriation is provided solely for conducting the
32 study required in this section.
- 33 (2) (a) The citizens of Washington state deserve better information
34 on the disparate impacts of the economic and taxing decisions of state
35 and local governments.

1 (b) The office of financial management will report to the
2 appropriate fiscal committees in both legislative chambers on the
3 income and tax burden of Washingtonians.

4 (c) The report must be delivered by September 1, 2012, and must
5 include:

6 (i) Estimates of the income and the wealth distribution of
7 Washingtonians by income quintile, or, if possible, by decile;

8 (ii) The combined state/local tax burden of Washingtonians by
9 income quintile, or, if possible, decile;

10 (iii) The tax burden of Washingtonians using longitudinal data:

11 (A) As a percentage of aggregate income;

12 (B) Using per capita data; and

13 (C) Using tax burden per \$1,000 of income;

14 (iv) The amount of state and local government revenue combined in
15 Washington state as a share of the gross state product using
16 longitudinal data; and

17 (v) Year-over-year estimates of real income gains (or losses) by
18 income quintile, or, if possible, decile.

19 (d) Where feasible, the office of financial management must use
20 established state and federal data sets to compile this report. The
21 office of financial management must make estimates or projections based
22 on historic data to fill in years if actual data is not yet available.

23 NEW SECTION. **Sec. 709.** A new section is added to 2011 1st sp.s.
24 c 50 (uncodified) to read as follows:

25 **FOR THE SAVINGS INCENTIVE ACCOUNT AND EDUCATION SAVINGS ACCOUNT**

26 For fiscal years 2012 and 2013, no appropriations are made for
27 deposit to the savings incentive account or the education savings
28 account under RCW 43.79.460 and 43.79.465.

29 The following acts or parts of acts are hereby repealed:

30 (1) 2011 1st sp.s. c 50 s 709 (uncodified); and

31 (2) 2011 1st sp.s. c 50 s 710 (uncodified).

32 NEW SECTION. **Sec. 710.** 2011 2nd sp.s. c 9 s 706 (uncodified) is
33 repealed.

34 NEW SECTION. **Sec. 711.** 2011 2nd sp.s. c 9 s 708 (uncodified) is
35 repealed.

1 NEW SECTION. **Sec. 712.** A new section is added to 2012 c 86 (ESHB
2 2190) (uncodified) to read as follows:

3 **FOR THE WASHINGTON STATE DEPARTMENT OF TRANSPORTATION**

4 The legislature finds that it is critically important that highway
5 improvement project lists, incorporated by reference in the biennial
6 transportation appropriations act, accurately reflect the intent of the
7 legislature with respect to the identified projects and activities as
8 listed by fund, project, and amount in the list, including intended
9 future commitments. The legislature further finds that during the 2012
10 regular legislative session, Engrossed Substitute House Bill No. 2190,
11 as recommended by the conference committee, passed the legislature and
12 that it incorporated by reference a highway improvement project list
13 containing various technical drafting errors resulting in an inaccurate
14 reflection of the conference committee report as agreed to by the
15 conferees. The legislature further finds that a corrected version of
16 the list is necessary to conform with the recommendations of the
17 conference committee in a manner that does not change the funding
18 decisions or appropriations for the current 2011-2013 biennium as
19 agreed to by the conferees. Therefore, any reference in chapter 86
20 (ESHB 2190), Laws of 2012 to "LEAP Transportation Document 2012-2 as
21 developed March 8, 2012, Program - Highway Improvement Program (I)" is
22 superseded by the corrected version "LEAP Transportation Document 2012-
23 2C as developed March 14, 2012, Program - Highway Improvements Program
24 (I)".

25 NEW SECTION. **Sec. 713.** A new section is added to 2011 1st sp.s.
26 c 50 (uncodified) to read as follows:

27 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--LIFE SCIENCES DISCOVERY FUND**
28 General Fund--State Appropriation (FY 2013) \$4,000,000

29 The appropriation in this section is subject to the following
30 conditions and limitations: The general fund appropriation is for
31 expenditure into the life sciences discovery fund.

32 NEW SECTION. **Sec. 714.** A new section is added to 2011 1st sp.s.
33 c 50 (uncodified) to read as follows:

34 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--INFORMATION TECHNOLOGY**

35 From appropriations to state agencies for the 2011-2013 fiscal
36 biennium, the office of financial management shall reduce general

1 fund--state allotments by \$5,000,000 for fiscal year 2013 to reflect
2 savings associated with a reduction in expenditures related to
3 information technology, pursuant to allotment schedules prepared by the
4 office of financial management. The allotment reductions under this
5 section shall be placed in unallotted status and remain unexpended.
6 For agencies with appropriations from accounts other than the general
7 fund--state, the office of financial management shall work with
8 agencies to achieve similar savings in other accounts.

9 NEW SECTION. **Sec. 715.** A new section is added to 2011 1st sp.s.
10 c 50 (uncodified) to read as follows:

11 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--LEGAL SERVICES REVOLVING**
12 **ACCOUNT**

13	General Fund--State Appropriation (FY 2012)	\$324,000
14	General Fund--State Appropriation (FY 2013)	\$648,000
15	Other Appropriated Funds	\$1,779,000
16	TOTAL APPROPRIATION	\$2,751,000

17 The appropriations in this section are subject to the following
18 conditions and limitations: In accordance with schedules prepared by
19 the office of financial management, the appropriations in this section
20 shall be distributed to state agencies by the office of financial
21 management to support the level of appropriations in this act from the
22 legal services revolving account for legal services provided to state
23 agencies by the office of the attorney general.

(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))
	<u>\$8,289,000</u>
General Fund Appropriation for public utility	
district excise tax distributions	((\$49,418,000))
	<u>\$44,078,000</u>
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
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))
	<u>\$58,229,000</u>
County Criminal Justice Assistance Appropriation	((\$69,801,000))
	<u>\$69,566,000</u>
Municipal Criminal Justice Assistance	
Appropriation	((\$26,950,000))
	<u>\$26,843,000</u>
City-County Assistance Account Appropriation for local	
government financial assistance distribution	((\$16,589,000))
	<u>\$12,159,000</u>
Liquor Excise Tax Account Appropriation for liquor	
excise tax distribution	((\$52,152,000))

1		<u>\$25,617,000</u>
2	Streamlined Sales and Use Tax Mitigation Account	
3	Appropriation for distribution to local taxing	
4	jurisdictions to mitigate the unintended revenue	
5	redistribution effect of the sourcing law	
6	changes	((\$49,635,000))
7		<u>\$49,309,000</u>
8	Columbia River Water Delivery Account Appropriation for	
9	the Confederated Tribes of the Colville	
10	Reservation	((\$7,441,000))
11		<u>\$7,478,000</u>
12	Columbia River Water Delivery Account Appropriation for	
13	the Spokane Tribe of Indians	((\$4,748,000))
14		<u>\$4,794,000</u>
15	Liquor Revolving Account Appropriation for liquor	
16	profits distribution	((\$69,318,000))
17		<u>\$85,132,000</u>
18	TOTAL APPROPRIATION	((\$411,301,000))
19		<u>\$407,953,000</u>

20 The total expenditures from the state treasury under the
21 appropriations in this section shall not exceed the funds available
22 under statutory distributions for the stated purposes.

23 **Sec. 802.** 2011 1st sp.s. c 50 s 802 (uncodified) is amended to
24 read as follows:

25 **FOR THE STATE TREASURER--FOR THE COUNTY CRIMINAL JUSTICE ASSISTANCE**
26 **ACCOUNT**

27	Impaired Driver Safety Account Appropriation	((\$2,501,000))
28		<u>\$2,439,000</u>

29 The appropriation in this section is subject to the following
30 conditions and limitations: The amount appropriated in this section
31 shall be distributed quarterly during the 2011-2013 fiscal biennium in
32 accordance with RCW 82.14.310. This funding is provided to counties
33 for the costs of implementing criminal justice legislation including,
34 but not limited to: Chapter 206, Laws of 1998 (drunk driving
35 penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208,
36 Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998
37 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock

1 violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212,
2 Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication
3 levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter
4 215, Laws of 1998 (DUI provisions).

5 **Sec. 803.** 2011 1st sp.s. c 50 s 803 (uncodified) is amended to
6 read as follows:

7 **FOR THE STATE TREASURER--MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT**
8 Impaired Driver Safety Account Appropriation (~~(\$1,666,000)~~)
9 \$1,626,000

10 The appropriation in this section is subject to the following
11 conditions and limitations: The amount appropriated in this section
12 shall be distributed quarterly during the 2011-2013 biennium to all
13 cities ratably based on population as last determined by the office of
14 financial management. The distributions to any city that substantially
15 decriminalizes or repeals its criminal code after July 1, 1990, and
16 that does not reimburse the county for costs associated with criminal
17 cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in
18 which the city is located. This funding is provided to cities for the
19 costs of implementing criminal justice legislation including, but not
20 limited to: Chapter 206, Laws of 1998 (drunk driving penalties);
21 chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998
22 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license
23 suspension); chapter 210, Laws of 1998 (ignition interlock violations);
24 chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998
25 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels
26 lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215,
27 Laws of 1998 (DUI provisions).

28 **Sec. 804.** 2011 2nd sp.s. c 9 s 801 (uncodified) is amended to read
29 as follows:

30 **FOR THE STATE TREASURER--TRANSFERS**
31 State Treasurer's Service Account: For transfer to
32 the state general fund, \$16,300,000
33 for fiscal year 2012 and (~~(\$21,300,000)~~)
34 \$24,800,000 for fiscal year 2013 (~~(\$37,600,000)~~)
35 \$41,100,000
36 Waste Reduction, Recycling, and Litter Control

1 Account: For transfer to the state general
 2 fund, (~~(\$3,500,000)~~) \$4,847,000 for fiscal year
 3 2012 and (~~(\$3,500,000)~~) \$4,847,000 for fiscal year
 4 2013 (~~(\$7,000,000)~~)
 5 \$9,694,000
 6 Aquatics Lands Enhancement Account: For transfer to
 7 the state general fund, \$3,500,000 for fiscal
 8 year 2012 and \$3,500,000 for fiscal year 2013 \$7,000,000
 9 Savings Incentive Account: For transfer to the state
 10 general fund, \$44,618,000 for fiscal year 2012 \$44,618,000
 11 Distinguished Professorship Trust Fund: For transfer to
 12 the state general fund for fiscal year 2012, an amount
 13 not to exceed the actual cash balance of the fund \$3,024,000
 14 Washington Graduate Fellowship Trust Fund: For transfer
 15 to the state general fund for fiscal year 2012, an
 16 amount not to exceed the actual cash balance of
 17 the fund \$1,028,000
 18 College Faculty Awards Trust Fund: For transfer
 19 to the state general fund for fiscal year 2012, an amount
 20 not to exceed the actual cash balance of the fund \$1,996,000
 21 Data Processing Revolving Account: For transfer
 22 to the state general fund, \$5,960,000 for fiscal
 23 year 2012 \$5,960,000
 24 Drinking Water Assistance Account: For transfer to
 25 the drinking water assistance repayment account \$38,000,000
 26 Economic Development Strategic Reserve Account: For
 27 transfer to the state general fund, \$2,100,000
 28 for fiscal year 2012 and \$2,100,000 for fiscal
 29 year 2013 \$4,200,000
 30 General Fund: For transfer to the streamlined sales
 31 and use tax account, (~~(\$24,846,000)~~) \$24,520,000
 32 for fiscal year 2012 and \$24,789,000 for fiscal
 33 year 2013 (~~(\$49,635,000)~~)
 34 \$49,309,000
 35 Public Works Assistance Account: For transfer to the
 36 water pollution control revolving account,
 37 \$7,750,000 for fiscal year 2012 and \$7,750,000 for
 38 fiscal year 2013 \$15,500,000

1 The Charitable, Educational, Penal, and Reformatory
2 Institutions Account: For transfer to the state
3 general fund, \$4,500,000 for fiscal year 2012 and
4 \$4,500,000 for fiscal year 2013 \$9,000,000
5 Thurston County Capital Facilities Account: For
6 transfer to the state general fund, \$4,000,000
7 for fiscal year 2012 and \$4,000,000 for fiscal
8 year 2013 \$8,000,000
9 Public Works Assistance Account: For transfer to the
10 drinking water assistance account, \$10,000,000 for
11 fiscal year 2012 and \$5,000,000 for fiscal year
12 2013 \$15,000,000
13 Liquor Control Board Construction and Maintenance
14 Account: For transfer to the state general fund,
15 \$500,000 for fiscal year 2012 (~~and \$500,000 for~~
16 ~~fiscal year 2013~~) ((~~\$1,000,000~~))
17 \$500,000
18 Education Savings Account: For transfer to the state
19 general fund, \$54,431,000 for fiscal
20 year 2012 (~~and \$22,500,000 for fiscal year~~
21 ~~2013~~) ((~~\$76,931,000~~))
22 \$54,431,000
23 Department of Retirement Systems Expense Account:
24 For transfer to the state general fund, (~~(\$250,000)~~)
25 \$2,330,000 for fiscal year 2012 and (~~(\$250,000)~~)
26 \$4,330,000 for fiscal year 2013 ((~~\$500,000~~))
27 \$6,660,000
28 Education Construction Account: For transfer to the
29 state general fund, \$102,000,000 for fiscal year
30 2012 and \$102,000,000 for fiscal year 2013 \$204,000,000
31 Public Works Assistance Account: For transfer to the
32 state general fund, (~~(\$25,000,000)~~) \$40,000,000
33 for fiscal year 2012 and (~~(\$25,000,000)~~) \$40,000,000
34 for fiscal year 2013 ((~~\$50,000,000~~))
35 \$80,000,000
36 Foster Care Endowed Scholarship Trust Fund: For transfer
37 to the state general fund, \$200,000 for fiscal year
38 2012 and \$200,000 for fiscal year 2013 \$400,000

1 Affordable Housing For All Account: For transfer to
2 the home security fund, \$1,000,000 for fiscal year
3 2012 and \$1,000,000 for fiscal year 2013 \$2,000,000

4 Tobacco Settlement Account: For transfer to the state
5 general fund, in an amount not to exceed the actual
6 amount of the annual base payment to the tobacco
7 settlement account \$158,205,000

8 Tobacco Settlement Account: For transfer to the basic
9 health plan stabilization account from the amounts
10 deposited in the account that are attributable to the
11 annual strategic contribution payment received in
12 fiscal year 2012 \$22,000,000

13 Tobacco Settlement Account: For transfer to the basic
14 health plan stabilization account from the amounts
15 deposited in the account that are attributable to the
16 annual strategic contribution payment received in
17 fiscal year 2013 \$22,000,000

18 Tobacco Settlement Account: For transfer to the life
19 sciences discovery fund, in an amount not to exceed
20 the actual remaining amount of the annual strategic
21 contribution payment to the tobacco settlement account
22 for fiscal year 2012 \$6,000,000

23 Tobacco Settlement Account: For transfer to the life
24 sciences discovery fund, in an amount not to exceed
25 the actual remaining amount of the annual strategic
26 contribution payment to the tobacco settlement account
27 for fiscal year 2013 \$6,000,000

28 The transfer to the life sciences discovery fund is subject to the
29 following conditions: All new grants awarded during the 2011-2013
30 fiscal biennium shall support and accelerate the commercialization of
31 an identifiable product.

32 Financial Services Regulation Fund: For transfer to
33 the state general fund, \$4,000,000 for fiscal
34 year 2012 \$4,000,000

35 State Nursery Revolving Account: For transfer to the
36 state general fund, \$250,000 for fiscal year 2012 and
37 \$250,000 for fiscal year 2013 \$500,000

38 Washington State Heritage Center Account: For transfer

1 to the state general fund, \$2,000,000 for fiscal
2 year 2013 \$2,000,000
3 Local Toxics Control Account: For transfer to the state
4 toxics control account, \$15,000,000 for fiscal
5 year 2012 and \$16,000,000 for fiscal year 2013 \$31,000,000
6 Coastal Protection Account: For transfer to the state
7 general fund, \$500,000 for fiscal year 2012 and
8 \$500,000 for fiscal year 2013 \$1,000,000
9 Multimodal Transportation Account--State: For transfer
10 to the Public Transportation Grant Program Account
11 for the purposes of distributions of \$3,000,000 on
12 each of the last working days of December, March,
13 and June in fiscal year 2013 \$9,000,000
14 Aquatic Lands Enhancement Account: For transfer to
15 the marine resources stewardship trust account,
16 \$2,100,000 for fiscal year 2013 \$2,100,000

(End of part)

1 **COALITION, WFSE CC COALITION, WFSE CWU, WFSE TESC**

2 Agreements have been reached between the governor and the following
3 unions: Washington public employees association, Washington public
4 employees association higher education community college coalition,
5 Washington federation of state employees higher education community
6 college coalition, Washington federation of state employees Central
7 Washington University, and Washington federation of state employees The
8 Evergreen State College, under the provisions of chapter 41.80 RCW for
9 fiscal year 2013. Funding is reduced to reflect a 3.0 percent
10 temporary salary reduction for all employees whose monthly full-time
11 equivalent salary is \$2,500 or more per month through June 29, 2013.
12 Effective June 30, 2013, the salary schedules effective July 1, 2009,
13 through June 30, 2011, will be reinstated. For employees entitled to
14 leave, temporary salary reduction leave is granted for fiscal year
15 2013.

16 NEW SECTION. **Sec. 903.** A new section is added to 2011 1st sp.s.
17 c 50 (uncodified) to read as follows:

18 **COLLECTIVE BARGAINING AGREEMENT--FISCAL YEAR 2013--YAKIMA VALLEY**
19 **COMMUNITY COLLEGE--WASHINGTON PUBLIC EMPLOYEES ASSOCIATION**

20 An agreement has been reached between Yakima Valley Community
21 College and Washington public employees association under the
22 provisions of chapter 41.80 RCW for fiscal year 2013. The agreement is
23 consistent with the funding reduction provided in the 2011-2013 omnibus
24 appropriations act, which reflected a 3.0 percent temporary salary
25 reduction to all employees whose monthly full-time equivalent salary is
26 \$2,500 or more per month through June 29, 2013.

27 NEW SECTION. **Sec. 904.** A new section is added to 2011 1st sp.s.
28 c 50 (uncodified) to read as follows:

29 **COLLECTIVE BARGAINING AGREEMENT--FISCAL YEAR 2013--WESTERN WASHINGTON**
30 **UNIVERSITY--PUBLIC SCHOOL EMPLOYEES OF WASHINGTON**

31 An agreement has been reached between Western Washington University
32 and the Washington public school employees of Washington bargaining
33 units D and PTE under the provisions of chapter 41.80 RCW for fiscal
34 year 2013. The agreement is consistent with the funding reduction
35 provided in the 2011-2013 omnibus appropriations act, which reflected
36 a 3.0 percent temporary salary reduction to all employees whose monthly

1 full-time equivalent salary is \$2,500 or more per month through June
2 29, 2013. The reduction will be implemented according to the terms and
3 conditions of this agreement.

4 NEW SECTION. **Sec. 905.** A new section is added to 2011 1st sp.s.
5 c 50 (uncodified) to read as follows:

6 **COLLECTIVE BARGAINING AGREEMENT--FISCAL YEAR 2013--WESTERN WASHINGTON**
7 **UNIVERSITY--WFSE**

8 An agreement has been reached between Western Washington University
9 and the Washington federation of state employees bargaining units A, B,
10 and E under the provisions of chapter 41.80 RCW for fiscal year 2013.
11 The agreement is consistent with the funding reduction provided in the
12 2011-2013 omnibus appropriations act, which reflected a 3.0 percent
13 temporary salary reduction to all employees whose monthly full-time
14 equivalent salary is \$2,500 or more per month through June 29, 2013.
15 The reduction will be implemented according to the terms and conditions
16 of this agreement.

17 NEW SECTION. **Sec. 906.** A new section is added to 2011 1st sp.s.
18 c 50 (uncodified) to read as follows:

19 **COLLECTIVE BARGAINING AGREEMENT--FISCAL YEAR 2013--EASTERN WASHINGTON**
20 **UNIVERSITY--WFSE**

21 An agreement has been reached between Eastern Washington University
22 and the Washington federation of state employees under the provisions
23 of chapter 41.80 RCW for fiscal year 2013. The agreement is consistent
24 with the funding reduction provided in the 2011-2013 omnibus
25 appropriations act, which reflected a 3.0 percent temporary salary
26 reduction to all employees whose monthly full-time equivalent salary is
27 \$2,500 or more per month through June 29, 2013. The reduction will be
28 implemented according to the terms and conditions of this agreement.

29 NEW SECTION. **Sec. 907.** A new section is added to 2011 1st sp.s.
30 c 50 (uncodified) to read as follows:

31 **COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES--SEIU**
32 **HEALTHCARE 775NW HOMECARE WORKERS**

33 If the governor and the service employees international union
34 healthcare 775nw under chapter 74.39A RCW reach agreement on the
35 state's contribution to the training partnership pursuant to the

1 appropriations in sections 205 and 206 of this act, the new
2 contribution amount shall become a part of the parties' existing
3 2011-2013 collective bargaining agreement.

4 NEW SECTION. **Sec. 908.** A new section is added to 2011 1st sp.s.
5 c 50 (uncodified) to read as follows:

6 **COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES--WSRCC ADULT**
7 **FAMILY HOMES**

8 If the governor and the Washington state residential care council
9 under chapter 41.56 RCW reach agreement on a modification of the daily
10 rate for the impacts of training and license fees pursuant to the
11 appropriations in sections 205 and 206 of this act, the new rate shall
12 become a part of the parties' existing 2011-2013 collective bargaining
13 agreement.

14 **Sec. 909.** 2011 1st sp.s. c 50 s 920 (uncodified) is amended to
15 read as follows:

16 **COMPENSATION--NONREPRESENTED EMPLOYEES--INSURANCE BENEFITS**

17 Appropriations for state agencies in this act are sufficient for
18 nonrepresented state employee health benefits for state agencies,
19 including institutions of higher education, and are subject to the
20 following conditions and limitations:

21 (1)(a) The monthly employer funding rate for insurance benefit
22 premiums, public employees' benefits board administration, and the
23 uniform medical plan, shall not exceed \$850 per eligible employee for
24 fiscal year 2012. For fiscal year 2013 the monthly employer funding
25 rate shall not exceed (~~(\$850)~~) \$800 per eligible employee.

26 (b) In order to achieve the level of funding provided for health
27 benefits, the public employees' benefits board shall require any or all
28 of the following: Employee premium copayments, increases in point-of-
29 service cost sharing, the implementation of managed competition, or
30 make other changes to benefits consistent with RCW 41.05.065.

31 (c) The health care authority shall deposit any moneys received on
32 behalf of the uniform medical plan as a result of rebates on
33 prescription drugs, audits of hospitals, subrogation payments, or any
34 other moneys recovered as a result of prior uniform medical plan claims
35 payments, into the public employees' and retirees' insurance account to

1 be used for insurance benefits. Such receipts shall not be used for
2 administrative expenditures.

3 (2) The health care authority, subject to the approval of the
4 public employees' benefits board, shall provide subsidies for health
5 benefit premiums to eligible retired or disabled public employees and
6 school district employees who are eligible for medicare, pursuant to
7 RCW 41.05.085. For calendar years 2012 and 2013, the subsidy shall be
8 \$150.00 per month.

9 (3) Technical colleges, school districts, and educational service
10 districts shall remit to the health care authority for deposit into the
11 public employees' and retirees' insurance account established in RCW
12 41.05.120 the following amounts:

13 (a) For each full-time employee, \$66.01 per month beginning
14 September 1, 2011, and (~~(\$67.91)~~) \$65.17 beginning September 1, 2012;

15 (b) For each part-time employee, who at the time of the remittance
16 is employed in an eligible position as defined in RCW 41.32.010 or
17 41.40.010 and is eligible for employer fringe benefit contributions for
18 basic benefits, \$66.01 each month beginning September 1, 2011, and
19 (~~(\$67.91)~~) \$65.17 beginning September 1, 2012, prorated by the
20 proportion of employer fringe benefit contributions for a full-time
21 employee that the part-time employee receives. The remittance
22 requirements specified in this subsection shall not apply to employees
23 of a technical college, school district, or educational service
24 district who purchase insurance benefits through contracts with the
25 health care authority.

26 **Sec. 910.** 2011 1st sp.s. c 50 s 921 (uncodified) is amended to
27 read as follows:

28 **COMPENSATION--REPRESENTED EMPLOYEES OUTSIDE SUPER COALITION--INSURANCE**
29 **BENEFITS**

30 Appropriations for state agencies in this act are sufficient for
31 represented employees outside the super coalition for health benefits,
32 and are subject to the following conditions and limitations:

33 (1)(a) The monthly employer funding rate for insurance benefit
34 premiums, public employees' benefits board administration, and the
35 uniform medical plan, shall not exceed \$850 per eligible employee for
36 fiscal year 2012. For fiscal year 2013 the monthly employer funding
37 rate shall not exceed (~~(\$850)~~) \$800 per eligible employee.

1 (b) In order to achieve the level of funding provided for health
2 benefits, the public employees' benefits board shall require any or all
3 of the following: Employee premium copayments, increases in point-of-
4 service cost sharing, the implementation of managed competition, or
5 make other changes to benefits consistent with RCW 41.05.065.

6 (c) The health care authority shall deposit any moneys received on
7 behalf of the uniform medical plan as a result of rebates on
8 prescription drugs, audits of hospitals, subrogation payments, or any
9 other moneys recovered as a result of prior uniform medical plan claims
10 payments, into the public employees' and retirees' insurance account to
11 be used for insurance benefits. Such receipts shall not be used for
12 administrative expenditures.

13 (2) The health care authority, subject to the approval of the
14 public employees' benefits board, shall provide subsidies for health
15 benefit premiums to eligible retired or disabled public employees and
16 school district employees who are eligible for medicare, pursuant to
17 RCW 41.05.085. For calendar years 2012 and 2013, the subsidy shall be
18 \$150.00 per month.

19 (3) Technical colleges, school districts, and educational service
20 districts shall remit to the health care authority for deposit into the
21 public employees' and retirees' insurance account established in RCW
22 41.05.120 the following amounts:

23 (a) For each full-time employee, \$66.01 per month beginning
24 September 1, 2011, and (~~(\$67.91)~~) \$65.17 beginning September 1, 2012;

25 (b) For each part-time employee, who at the time of the remittance
26 is employed in an eligible position as defined in RCW 41.32.010 or
27 41.40.010 and is eligible for employer fringe benefit contributions for
28 basic benefits, \$66.01 each month beginning September 1, 2011, and
29 (~~(\$67.91)~~) \$65.17 beginning September 1, 2012, prorated by the
30 proportion of employer fringe benefit contributions for a full-time
31 employee that the part-time employee receives. The remittance
32 requirements specified in this subsection shall not apply to employees
33 of a technical college, school district, or educational service
34 district who purchase insurance benefits through contracts with the
35 health care authority.

36 **Sec. 911.** 2011 1st sp.s. c 50 s 922 (uncodified) is amended to
37 read as follows:

1 **COMPENSATION--REPRESENTED EMPLOYEES--SUPER COALITION--INSURANCE**
2 **BENEFITS**

3 The collective bargaining agreement negotiated with the super
4 coalition under chapter 41.80 RCW includes employer premiums at 85
5 percent of the total weighted average of the projected health care
6 premiums across all plans and tiers. Appropriations in this act for
7 state agencies, including institutions of higher education are
8 sufficient to fund state employees health benefits for employees
9 represented by the super coalition on health benefits, and are subject
10 to the following conditions and limitations:

11 (1)(a) The monthly employer funding rate for insurance benefit
12 premiums, public employees' benefits board administration, and the
13 uniform medical plan, shall not exceed \$850 per eligible employee for
14 fiscal year 2012. For fiscal year 2013 the monthly employer funding
15 rate shall not exceed (~~(\$850)~~) \$800 per eligible employee.

16 (b) In order to achieve the level of funding provided for health
17 benefits, the public employees' benefits board shall require any or all
18 of the following: Employee premium copayments, increases in point-of-
19 service cost sharing, the implementation of managed competition, or
20 make other changes to benefits consistent with RCW 41.05.065.

21 (c) The health care authority shall deposit any moneys received on
22 behalf of the uniform medical plan as a result of rebates on
23 prescription drugs, audits of hospitals, subrogation payments, or any
24 other moneys recovered as a result of prior uniform medical plan claims
25 payments, into the public employees' and retirees' insurance account to
26 be used for insurance benefits. Such receipts shall not be used for
27 administrative expenditures.

28 (2) The health care authority, subject to the approval of the
29 public employees' benefits board, shall provide subsidies for health
30 benefit premiums to eligible retired or disabled public employees and
31 school district employees who are eligible for medicare, pursuant to
32 RCW 41.05.085. For calendar years 2012 and 2013, the subsidy shall be
33 \$150.00 per month.

34 NEW SECTION. **Sec. 912.** A new section is added to 2011 1st sp.s.
35 c 50 (uncodified) to read as follows:

36 For purposes of RCW 43.88.110(7), any cash deficit in existence at

1 the close of fiscal year 2012 shall be liquidated over the remainder of
2 the 2011-2013 fiscal biennium.

3 **Sec. 913.** RCW 2.68.020 and 2009 c 564 s 1802 and 2009 c 564 s 918
4 are each reenacted and amended to read as follows:

5 There is created an account in the custody of the state treasurer
6 to be known as the judicial information system account. The
7 administrative office of the courts shall maintain and administer the
8 account, in which shall be deposited all moneys received from in-state
9 noncourt users and any out-of-state users of the judicial information
10 system and moneys as specified in RCW 2.68.040 for the purposes of
11 providing judicial information system access to noncourt users and
12 providing an adequate level of automated services to the judiciary.
13 The legislature shall appropriate the funds in the account for the
14 purposes of the judicial information system. The account shall be used
15 for the acquisition of equipment, software, supplies, services, and
16 other costs incidental to the acquisition, development, operation, and
17 administration of information services, telecommunications, systems,
18 software, supplies, and equipment, including the payment of principal
19 and interest on items paid in installments. (~~During the 2007-2009~~
20 ~~fiscal biennium, the legislature may transfer from the judicial~~
21 ~~information system account to the state general fund such amounts as~~
22 ~~reflect the excess fund balance of the account. During the 2009-2011~~
23 ~~fiscal biennium, the legislature may transfer from the judicial~~
24 ~~information system account to the state general fund such amounts as~~
25 ~~reflect the excess fund balance of the account.)) During the 2011-2013
26 fiscal biennium, the judicial information systems account may be
27 appropriated to support the state law library.~~

28 **Sec. 914.** RCW 28B.15.067 and 2011 1st sp.s. c 10 s 3 are each
29 amended to read as follows:

30 (1) Tuition fees shall be established under the provisions of this
31 chapter.

32 (2) Beginning in the 2011-12 academic year, reductions or increases
33 in full-time tuition fees shall be as provided in the omnibus
34 appropriations act for resident undergraduate students at community and
35 technical colleges. The governing boards of the state universities,
36 regional universities, and The Evergreen State College; and the state

1 board for community and technical colleges may reduce or increase full-
2 time tuition fees for all students other than resident undergraduates,
3 including nonresident students, summer school students, and students in
4 other self-supporting degree programs. Percentage increases in full-
5 time tuition may exceed the fiscal growth factor. Except during the
6 2011-2013 fiscal biennium, the state board for community and technical
7 colleges may pilot or institute differential tuition models. The board
8 may define scale, scope, and rationale for the models.

9 (3)(a) Beginning with the 2011-12 academic year and through the end
10 of the 2014-15 academic year, the governing boards of the state
11 universities, the regional universities, and The Evergreen State
12 College may reduce or increase full-time tuition fees for all students,
13 including summer school students and students in other self-supporting
14 degree programs. Percentage increases in full-time tuition fees may
15 exceed the fiscal growth factor. Reductions or increases may be made
16 for all or portions of an institution's programs, campuses, courses, or
17 students; however, during the 2011-2013 fiscal biennium, reductions or
18 increases in tuition must be uniform among resident undergraduate
19 students.

20 (b) Prior to reducing or increasing tuition for each academic year,
21 the governing boards of the state universities, the regional
22 universities, and The Evergreen State College shall consult with
23 existing student associations or organizations with student
24 undergraduate and graduate representatives regarding the impacts of
25 potential tuition increases. Governing boards shall be required to
26 provide data regarding the percentage of students receiving financial
27 aid, the sources of aid, and the percentage of total costs of
28 attendance paid for by aid.

29 (c) Prior to reducing or increasing tuition for each academic year,
30 the state board for community and technical college system shall
31 consult with existing student associations or organizations with
32 undergraduate student representation regarding the impacts of potential
33 tuition increases. The state board for community and technical
34 colleges shall provide data regarding the percentage of students
35 receiving financial aid, the sources of aid, and the percentage of
36 total costs of attendance paid for by aid.

37 (4) Beginning with the 2015-16 academic year through the 2018-19

1 academic year, the governing boards of the state universities, regional
2 universities, and The Evergreen State College may set tuition for
3 resident undergraduates as follows:

4 (a) If state funding for a college or university falls below the
5 state funding provided in the operating budget for fiscal year 2011,
6 the governing board may increase tuition up to the limits set in (d) of
7 this subsection, reduce enrollments, or both;

8 (b) If state funding for a college or university is at least at the
9 level of state funding provided in the operating budget for fiscal year
10 2011, the governing board may increase tuition up to the limits set in
11 (d) of this subsection and shall continue to at least maintain the
12 actual enrollment levels for fiscal year 2011 or increase enrollments
13 as required in the omnibus appropriations act; (~~and~~)

14 (c) If state funding is increased so that combined with resident
15 undergraduate tuition the sixtieth percentile of the total per-student
16 funding at similar public institutions of higher education in the
17 global challenge states under RCW 28B.15.068 is exceeded, the governing
18 board shall decrease tuition by the amount needed for the total per-
19 student funding to be at the sixtieth percentile under RCW 28B.15.068;
20 and

21 (d) The amount of tuition set by the governing board for an
22 institution under this subsection (4) may not exceed the sixtieth
23 percentile of the resident undergraduate tuition of similar public
24 institutions of higher education in the global challenge states.

25 (5) The tuition fees established under this chapter shall not apply
26 to high school students enrolling in participating institutions of
27 higher education under RCW 28A.600.300 through 28A.600.400.

28 (6) The tuition fees established under this chapter shall not apply
29 to eligible students enrolling in a dropout reengagement program
30 through an interlocal agreement between a school district and a
31 community or technical college under RCW 28A.175.100 through
32 28A.175.110.

33 (7) The tuition fees established under this chapter shall not apply
34 to eligible students enrolling in a community or technical college
35 participating in the pilot program under RCW 28B.50.534 for the purpose
36 of obtaining a high school diploma.

37 (8) Beginning in the 2019-20 academic year, reductions or increases

1 in full-time tuition fees for resident undergraduates at four-year
2 institutions of higher education shall be as provided in the omnibus
3 appropriations act.

4 (9) The legislative advisory committee to the committee on advanced
5 tuition payment established in RCW 28B.95.170 shall:

6 (a) Review the impact of differential tuition rates on the funded
7 status and future unit price of the Washington advanced college tuition
8 payment program; and

9 (b) No later than January 14, 2013, make a recommendation to the
10 appropriate policy and fiscal committees of the legislature regarding
11 how differential tuition should be addressed in order to maintain the
12 ongoing solvency of the Washington advanced college tuition payment
13 program.

14 **Sec. 915.** RCW 38.52.540 and 2010 1st sp.s. c 19 s 18 are each
15 amended to read as follows:

16 (1) The enhanced 911 account is created in the state treasury. All
17 receipts from the state enhanced 911 excise taxes imposed by RCW
18 82.14B.030 must be deposited into the account. Moneys in the account
19 must be used only to support the statewide coordination and management
20 of the enhanced 911 system, for the implementation of wireless enhanced
21 911 statewide, for the modernization of enhanced 911 emergency
22 communications systems statewide, and to help supplement, within
23 available funds, the operational costs of the system, including
24 adequate funding of counties to enable implementation of wireless
25 enhanced 911 service and reimbursement of radio communications service
26 companies for costs incurred in providing wireless enhanced 911 service
27 pursuant to negotiated contracts between the counties or their agents
28 and the radio communications service companies. For the 2011-2013
29 fiscal biennium, the account may be used for modernizing narrowband
30 radio capability in the department of corrections. A county must show
31 just cause, including but not limited to a true and accurate accounting
32 of the funds expended, for any inability to provide reimbursement to
33 radio communications service companies of costs incurred in providing
34 enhanced 911 service.

35 (2) Funds generated by the enhanced 911 excise tax imposed by RCW
36 82.14B.030(5) may not be distributed to any county that has not imposed
37 the maximum county enhanced 911 excise tax allowed under RCW

1 82.14B.030(1). Funds generated by the enhanced 911 excise tax imposed
2 by RCW 82.14B.030(6) may not be distributed to any county that has not
3 imposed the maximum county enhanced 911 excise tax allowed under RCW
4 82.14B.030(2).

5 (3) The state enhanced 911 coordinator, with the advice and
6 assistance of the enhanced 911 advisory committee, is authorized to
7 enter into statewide agreements to improve the efficiency of enhanced
8 911 services for all counties and shall specify by rule the additional
9 purposes for which moneys, if available, may be expended from this
10 account.

11 **Sec. 916.** RCW 41.06.560 and 2011 1st sp.s. c 39 s 11 are each
12 amended to read as follows:

13 From February 15, 2010, until June 30, 2013, no monetary
14 performance-based awards or incentives may be granted by the director
15 or employers to employees covered by rules adopted under this section.
16 This section does not prohibit the payment of awards provided for in
17 chapter 41.60 RCW. For institutions of higher education, this section
18 does not prohibit the payment of specific cash awards from private
19 donations from individuals or businesses including, but not limited to,
20 endowments.

21 From July 1, 2011, until June 30, 2013, no performance-based awards
22 or incentives may be granted by the director or employers to employees
23 pursuant to a performance management confirmation granted by the
24 department of personnel under WAC 357-37-055.

25 **Sec. 917.** RCW 43.07.129 and 2011 1st sp.s. c 50 s 940 are each
26 amended to read as follows:

27 The Washington state heritage center account is created in the
28 custody of the state treasurer. All moneys received under RCW
29 36.18.010(11) and 43.07.128 must be deposited in the account.
30 Expenditures from the account may be made only for the following
31 purposes:

- 32 (1) Payment of the certificate of participation issued for the
- 33 Washington state heritage center;
- 34 (2) Capital maintenance of the Washington state heritage center;
- 35 and

1 (3) Program operations that serve the public, relate to the
2 collections and exhibits housed in the Washington state heritage
3 center, or fulfill the missions of the state archives, state library,
4 and capital museum.

5 Only the secretary of state or the secretary of state's designee
6 may authorize expenditures from the account. An appropriation is not
7 required for expenditures, but the account is subject to allotment
8 procedures under chapter 43.88 RCW. During the 2011-2013 fiscal
9 biennium, the legislature may appropriate from the Washington state
10 heritage center account for the purposes of state arts, historical, and
11 library programs. Additionally, during the 2011-2013 fiscal biennium,
12 the legislature may transfer from the Washington state heritage center
13 account to the state general fund such amounts as reflect the excess
14 fund balance of the fund.

15 **Sec. 918.** RCW 43.30.720 and 2003 1st sp.s. c 25 s 938 are each
16 amended to read as follows:

17 All receipts from the sale of stock or seed shall be deposited in
18 a state forest nursery revolving fund to be maintained by the
19 department, which is hereby authorized to use all money in said fund
20 for the maintenance of the state tree nursery or the planting of
21 denuded state owned lands.

22 During the ((2003-2005)) 2011-2013 fiscal biennium, the legislature
23 may transfer from the state forest nursery revolving fund to the state
24 general fund such amounts as reflect the excess fund balance of the
25 fund.

26 **Sec. 919.** RCW 43.88.110 and 2009 c 518 s 3 are each amended to
27 read as follows:

28 This section sets forth the expenditure programs and the allotment
29 and reserve procedures to be followed by the executive branch for
30 public funds.

31 (1) Allotments of an appropriation for any fiscal period shall
32 conform to the terms, limits, or conditions of the appropriation.

33 (2) The director of financial management shall provide all agencies
34 with a complete set of operating and capital instructions for preparing
35 a statement of proposed expenditures at least thirty days before the

1 beginning of a fiscal period. The set of instructions need not include
2 specific appropriation amounts for the agency.

3 (3) Within forty-five days after the beginning of the fiscal period
4 or within forty-five days after the governor signs the omnibus biennial
5 appropriations act, whichever is later, all agencies shall submit to
6 the governor a statement of proposed expenditures at such times and in
7 such form as may be required by the governor.

8 (4) The office of financial management shall develop a method for
9 monitoring capital appropriations and expenditures that will capture at
10 least the following elements:

11 (a) Appropriations made for capital projects including
12 transportation projects;

13 (b) Estimates of total project costs including past, current,
14 ensuing, and future biennial costs;

15 (c) Comparisons of actual costs to estimated costs;

16 (d) Comparisons of estimated construction start and completion
17 dates with actual dates;

18 (e) Documentation of fund shifts between projects.

19 This data may be incorporated into the existing accounting system
20 or into a separate project management system, as deemed appropriate by
21 the office of financial management.

22 (5) The office of financial management, prior to approving
23 allotments for major capital construction projects valued over five
24 million dollars, shall institute procedures for reviewing such projects
25 at the predesign stage that will reduce long-term costs and increase
26 facility efficiency. The procedures shall include, but not be limited
27 to, the following elements:

28 (a) Evaluation of facility program requirements and consistency
29 with long-range plans;

30 (b) Utilization of a system of cost, quality, and performance
31 standards to compare major capital construction projects; and

32 (c) A requirement to incorporate value-engineering analysis and
33 constructability review into the project schedule.

34 (6) No expenditure may be incurred or obligation entered into for
35 such major capital construction projects including, without exception,
36 land acquisition, site development, predesign, design, construction,
37 and equipment acquisition and installation, until the allotment of the
38 funds to be expended has been approved by the office of financial

1 management. This limitation does not prohibit the continuation of
2 expenditures and obligations into the succeeding biennium for projects
3 for which allotments have been approved in the immediate prior
4 biennium.

5 (7)(a) Beginning January 1, 2013, if at any time during the fiscal
6 period the governor projects a cash deficit in a particular fund or
7 account as defined by RCW 43.88.050, the governor shall make across-
8 the-board reductions in allotments for that particular fund or account
9 so as to prevent a cash deficit, unless the legislature has directed
10 the liquidation of the cash deficit over one or more fiscal periods.

11 (b)(i) From the effective date of this section until January 1,
12 2013, if at any time during the fiscal period the governor projects a
13 cash deficit in a particular fund or account as defined by RCW
14 43.88.050, then as set forth in (b) of this subsection the governor
15 shall make across-the-board reductions in the total amount allotted to
16 each agency from each appropriation from that fund or account so as to
17 prevent a cash deficit, unless the legislature has directed the
18 liquidation of the cash deficit over one or more fiscal periods.

19 (ii) The percentage reduction applied to individual allotments of
20 an agency's total allotments from each appropriation from that fund or
21 account may vary, but each agency's total allotments from each
22 appropriation from that fund or account must be uniformly reduced by
23 the percentage necessary to prevent a cash deficit. Where a portion of
24 an appropriation is provided solely for a particular purpose,
25 allotments of that portion of the appropriation may be reduced only by
26 the same percentage as the overall appropriation.

27 (iii) Allotments for the following programs may be reduced only by
28 a percentage equal to one-half of the percentage reduction applied to
29 total allotments of appropriations under (b)(ii) of this subsection:

30 (A) Direct custody in the department of corrections and the
31 juvenile rehabilitation administration; and

32 (B) The special commitment center of the department of social and
33 health services.

34 (iv) Basic education programs, debt service on state bonds, state
35 contributions to retirement systems, and programs for which a defined
36 benefit is specifically mandated in statute are exempt from across-the-
37 board allotment reductions under this subsection (7)(b) and allotments

1 for these purposes shall not be included when calculating the allotment
2 reductions.

3 (8) Except for the legislative and judicial branches and other
4 agencies headed by elective officials, the governor shall review the
5 statement of proposed operating expenditures for reasonableness and
6 conformance with legislative intent. The governor may request
7 corrections of proposed allotments submitted by the legislative and
8 judicial branches and agencies headed by elective officials if those
9 proposed allotments contain significant technical errors.

10 (9) Once the governor approves the proposed allotments, further
11 revisions may at the request of the office of financial management or
12 upon the agency's initiative be made on a quarterly basis and must be
13 accompanied by an explanation of the reasons for significant changes.
14 If the governor initiates across-the-board allotment revisions under
15 subsection (7)(b) of this section, the office of financial management
16 shall provide notice to the appropriate legislative fiscal committees
17 of the proposed revisions, including the explanation for the
18 significant changes, and the revisions may not take effect until ten
19 days after this notice is provided. However, changes in appropriation
20 level authorized by the legislature, changes required by across-the-
21 board reductions mandated by the governor, changes caused by executive
22 increases to spending authority, and changes caused by executive
23 decreases to spending authority for failure to comply with the
24 provisions of chapter 36.70A RCW may require additional revisions.
25 Revisions shall not be made retroactively. However, the governor may
26 assign to a reserve status any portion of an agency appropriation
27 withheld as part of across-the-board reductions made by the governor
28 and any portion of an agency appropriation conditioned on a contingent
29 event by the appropriations act. The governor may remove these amounts
30 from reserve status if the across-the-board reductions are subsequently
31 modified or if the contingent event occurs. The director of financial
32 management shall enter approved statements of proposed expenditures
33 into the state budgeting, accounting, and reporting system within
34 forty-five days after receipt of the proposed statements from the
35 agencies. If an agency or the director of financial management is
36 unable to meet these requirements, the director of financial management
37 shall provide a timely explanation in writing to the legislative fiscal
38 committees.

1 (~~(+8)~~) (10) It is expressly provided that all agencies shall be
2 required to maintain accounting records and to report thereon in the
3 manner prescribed in this chapter and under the regulations issued
4 pursuant to this chapter. Within ninety days of the end of the fiscal
5 year, all agencies shall submit to the director of financial management
6 their final adjustments to close their books for the fiscal year.
7 Prior to submitting fiscal data, written or oral, to committees of the
8 legislature, it is the responsibility of the agency submitting the data
9 to reconcile it with the budget and accounting data reported by the
10 agency to the director of financial management.

11 (~~(+9)~~) (11) The director of financial management may exempt
12 certain public funds from the allotment controls established under this
13 chapter if it is not practical or necessary to allot the funds.
14 Allotment control exemptions expire at the end of the fiscal biennium
15 for which they are granted. The director of financial management shall
16 report any exemptions granted under this subsection to the legislative
17 fiscal committees.

18 **Sec. 920.** RCW 70.105D.070 and 2011 1st sp.s. c 50 s 964 are each
19 reenacted and amended to read as follows:

20 (1) The state toxics control account and the local toxics control
21 account are hereby created in the state treasury.

22 (2) The following moneys shall be deposited into the state toxics
23 control account: (a) Those revenues which are raised by the tax
24 imposed under RCW 82.21.030 and which are attributable to that portion
25 of the rate equal to thirty-three one-hundredths of one percent; (b)
26 the costs of remedial actions recovered under this chapter or chapter
27 70.105A RCW; (c) penalties collected or recovered under this chapter;
28 and (d) any other money appropriated or transferred to the account by
29 the legislature. Moneys in the account may be used only to carry out
30 the purposes of this chapter, including but not limited to the
31 following activities:

32 (i) The state's responsibility for hazardous waste planning,
33 management, regulation, enforcement, technical assistance, and public
34 education required under chapter 70.105 RCW;

35 (ii) The state's responsibility for solid waste planning,
36 management, regulation, enforcement, technical assistance, and public
37 education required under chapter 70.95 RCW;

1 (iii) The hazardous waste cleanup program required under this
2 chapter;

3 (iv) State matching funds required under the federal cleanup law;

4 (v) Financial assistance for local programs in accordance with
5 chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

6 (vi) State government programs for the safe reduction, recycling,
7 or disposal of hazardous wastes from households, small businesses, and
8 agriculture;

9 (vii) Hazardous materials emergency response training;

10 (viii) Water and environmental health protection and monitoring
11 programs;

12 (ix) Programs authorized under chapter 70.146 RCW;

13 (x) A public participation program, including regional citizen
14 advisory committees;

15 (xi) Public funding to assist potentially liable persons to pay for
16 the costs of remedial action in compliance with cleanup standards under
17 RCW 70.105D.030(2)(e) but only when the amount and terms of such
18 funding are established under a settlement agreement under RCW
19 70.105D.040(4) and when the director has found that the funding will
20 achieve both (A) a substantially more expeditious or enhanced cleanup
21 than would otherwise occur, and (B) the prevention or mitigation of
22 unfair economic hardship;

23 (xii) Development and demonstration of alternative management
24 technologies designed to carry out the hazardous waste management
25 priorities of RCW 70.105.150;

26 (xiii) During the 2009-2011 and 2011-2013 fiscal biennia, shoreline
27 update technical assistance;

28 (xiv) During the 2009-2011 fiscal biennium, multijurisdictional
29 permitting teams; (~~and~~)

30 (xv) During the 2011-2013 fiscal biennium, actions for reducing
31 public exposure to toxic air pollution; and

32 (xvi) During the 2011-2013 fiscal biennium, the department of
33 ecology's water quality, shorelands and environmental assessment,
34 hazardous waste, waste to resources, nuclear waste, and air quality
35 programs.

36 (3) The following moneys shall be deposited into the local toxics
37 control account: Those revenues which are raised by the tax imposed

1 under RCW 82.21.030 and which are attributable to that portion of the
2 rate equal to thirty-seven one-hundredths of one percent.

3 (a) Moneys deposited in the local toxics control account shall be
4 used by the department for grants or loans to local governments for the
5 following purposes in descending order of priority:

6 (i) Remedial actions;

7 (ii) Hazardous waste plans and programs under chapter 70.105 RCW;

8 (iii) Solid waste plans and programs under chapters 70.95, 70.95C,
9 70.95I, and 70.105 RCW;

10 (iv) Funds for a program to assist in the assessment and cleanup of
11 sites of methamphetamine production, but not to be used for the initial
12 containment of such sites, consistent with the responsibilities and
13 intent of RCW 69.50.511; and

14 (v) Cleanup and disposal of hazardous substances from abandoned or
15 derelict vessels, defined for the purposes of this section as vessels
16 that have little or no value and either have no identified owner or
17 have an identified owner lacking financial resources to clean up and
18 dispose of the vessel, that pose a threat to human health or the
19 environment.

20 (b) Funds for plans and programs shall be allocated consistent with
21 the priorities and matching requirements established in chapters
22 70.105, 70.95C, 70.95I, and 70.95 RCW, except that any applicant that
23 is a Puget Sound partner, as defined in RCW 90.71.010, along with any
24 project that is referenced in the action agenda developed by the Puget
25 Sound partnership under RCW 90.71.310, shall, except as conditioned by
26 RCW 70.105D.120, receive priority for any available funding for any
27 grant or funding programs or sources that use a competitive bidding
28 process. During the 2007-2009 fiscal biennium, moneys in the account
29 may also be used for grants to local governments to retrofit public
30 sector diesel equipment and for storm water planning and implementation
31 activities.

32 (c) To expedite cleanups throughout the state, the department shall
33 partner with local communities and liable parties for cleanups. The
34 department is authorized to use the following additional strategies in
35 order to ensure a healthful environment for future generations:

36 (i) The director may alter grant-matching requirements to create
37 incentives for local governments to expedite cleanups when one of the
38 following conditions exists:

1 (A) Funding would prevent or mitigate unfair economic hardship
2 imposed by the clean-up liability;

3 (B) Funding would create new substantial economic development,
4 public recreational, or habitat restoration opportunities that would
5 not otherwise occur; or

6 (C) Funding would create an opportunity for acquisition and
7 redevelopment of vacant, orphaned, or abandoned property under RCW
8 70.105D.040(5) that would not otherwise occur;

9 (ii) The use of outside contracts to conduct necessary studies;

10 (iii) The purchase of remedial action cost-cap insurance, when
11 necessary to expedite multiparty clean-up efforts.

12 (d) To facilitate and expedite cleanups using funds from the local
13 toxics control account, during the 2009-2011 fiscal biennium the
14 director may establish grant-funded accounts to hold and disperse local
15 toxics control account funds and funds from local governments to be
16 used for remedial actions.

17 (4) Except for unanticipated receipts under RCW 43.79.260 through
18 43.79.282, moneys in the state and local toxics control accounts may be
19 spent only after appropriation by statute.

20 (5) Except during the (~~2009-2011~~) 2011-2013 fiscal biennium, one
21 percent of the moneys deposited into the state and local toxics control
22 accounts shall be allocated only for public participation grants to
23 persons who may be adversely affected by a release or threatened
24 release of a hazardous substance and to not-for-profit public interest
25 organizations. The primary purpose of these grants is to facilitate
26 the participation by persons and organizations in the investigation and
27 remedying of releases or threatened releases of hazardous substances
28 and to implement the state's solid and hazardous waste management
29 priorities. No grant may exceed sixty thousand dollars. Grants may be
30 renewed annually. Moneys appropriated for public participation from
31 either account which are not expended at the close of any biennium
32 shall revert to the state toxics control account.

33 (6) No moneys deposited into either the state or local toxics
34 control account may be used for solid waste incinerator feasibility
35 studies, construction, maintenance, or operation, or, after January 1,
36 2010, for projects designed to address the restoration of Puget Sound,
37 funded in a competitive grant process, that are in conflict with the

1 action agenda developed by the Puget Sound partnership under RCW
2 90.71.310.

3 (7) The department shall adopt rules for grant or loan issuance and
4 performance.

5 (8) During the (~~(2007-2009 and 2009-2011)~~) 2011-2013 fiscal
6 (~~(biennia)~~) biennium, the legislature may transfer from the local
7 toxics control account to (~~(either)~~) the state (~~(general fund or the~~
8 ~~oil spill prevention account, or both)~~) toxics control account such
9 amounts as reflect excess fund balance in the account.

10 (~~(9) During the 2009-2011 fiscal biennium, the local toxics~~
11 ~~control account may also be used for a standby rescue tug at Neah Bay,~~
12 ~~local government shoreline update grants, private and public sector~~
13 ~~diesel equipment retrofit, and oil spill prevention, preparedness, and~~
14 ~~response activities.~~

15 (~~(10) During the 2009-2011 fiscal biennium, the legislature may~~
16 ~~transfer from the state toxics control account to the state general~~
17 ~~fund such amounts as reflect the excess fund balance in the account.~~

18 (~~(11)~~) (9) During the 2011-2013 fiscal biennium, the local toxics
19 control account may also be used for local government shoreline update
20 grants and actions for reducing public exposure to toxic air pollution.

21 **Sec. 921.** RCW 74.48.090 and 2011 1st sp.s. c 7 s 21 are each
22 amended to read as follows:

23 (1) The department and the department of health, in consultation
24 with the Washington state health care association, and aging services
25 of Washington, shall design a system of skilled nursing facility
26 quality incentive payments. The design of the system shall be
27 submitted to the relevant policy and fiscal committees of the
28 legislature by (~~(December 15, 2011)~~) January 1, 2013. For the 2011-
29 2013 fiscal biennial budget period, the department shall not implement
30 a system of skilled nursing facility quality incentive payments
31 designed pursuant to this section. The system shall be based upon the
32 following principles:

33 (a) Evidence-based treatment and processes shall be used to improve
34 health care outcomes for skilled nursing facility residents;

35 (b) Effective purchasing strategies to improve the quality of
36 health care services should involve the use of common quality

1 improvement measures, while recognizing that some measures may not be
2 appropriate for application to facilities with high bariatric,
3 behaviorally challenged, or rehabilitation populations;

4 (c) Quality measures chosen for the system should be consistent
5 with the standards that have been developed by national quality
6 improvement organizations, such as the national quality forum, the
7 federal centers for medicare and medicaid services, or the federal
8 agency for healthcare research and quality. New reporting burdens to
9 skilled nursing facilities should be minimized by giving priority to
10 measures skilled nursing facilities that are currently required to
11 report to governmental agencies, such as the nursing home compare
12 measures collected by the federal centers for medicare and medicaid
13 services;

14 (d) Benchmarks for each quality improvement measure should be set
15 at levels that are feasible for skilled nursing facilities to achieve,
16 yet represent real improvements in quality and performance for a
17 majority of skilled nursing facilities in Washington state; and

18 (e) Skilled nursing facilities performance and incentive payments
19 should be designed in a manner such that all facilities in Washington
20 are able to receive the incentive payments if performance is at or
21 above the benchmark score set in the system established under this
22 section.

23 (2) Pursuant to an appropriation by the legislature, for state
24 fiscal year ((2013)) 2014 and each fiscal year thereafter, assessments
25 may be increased to support an additional one percent increase in
26 skilled nursing facility reimbursement rates for facilities that meet
27 the quality incentive benchmarks established under this section.

28 **Sec. 922.** RCW 76.04.610 and 2007 c 110 s 1 are each amended to
29 read as follows:

30 (1)(a) If any owner of forest land within a forest protection zone
31 neglects or fails to provide adequate fire protection as required by
32 RCW 76.04.600, the department shall provide such protection and shall
33 annually impose the following assessments on each parcel of such land:

34 (i) A flat fee assessment of seventeen dollars and fifty cents; and
35 (ii) twenty-seven cents on each acre exceeding fifty acres.

36 (b) Assessors may, at their option, collect the assessment on tax

1 exempt lands. If the assessor elects not to collect the assessment,
2 the department may bill the landowner directly.

3 (2) An owner who has paid assessments on two or more parcels, each
4 containing fewer than fifty acres and each within the same county, may
5 obtain the following refund:

6 (a) If all the parcels together contain less than fifty acres, then
7 the refund is equal to the flat fee assessments paid, reduced by the
8 total of (i) seventeen dollars and (ii) the total of the amounts
9 retained by the county from such assessments under subsection (5) of
10 this section.

11 (b) If all the parcels together contain fifty or more acres, then
12 the refund is equal to the flat fee assessments paid, reduced by the
13 total of (i) seventeen dollars, (ii) twenty-seven cents for each acre
14 exceeding fifty acres, and (iii) the total of the amounts retained by
15 the county from such assessments under subsection (5) of this section.

16 Applications for refunds shall be submitted to the department on a
17 form prescribed by the department and in the same year in which the
18 assessments were paid. The department may not provide refunds to
19 applicants who do not provide verification that all assessments and
20 property taxes on the property have been paid. Applications may be
21 made by mail.

22 In addition to the procedures under this subsection, property
23 owners with multiple parcels in a single county who qualify for a
24 refund under this section may apply to the department on an application
25 listing all the parcels owned in order to have the assessment computed
26 on all parcels but billed to a single parcel. Property owners with the
27 following number of parcels may apply to the department in the year
28 indicated:

29	Year	Number of Parcels
30	2002	10 or more parcels
31	2003	8 or more parcels
32	2004 and thereafter	6 or more parcels

33 The department must compute the correct assessment and allocate one
34 parcel in the county to use to collect the assessment. The county must

1 then bill the forest fire protection assessment on that one allocated
2 identified parcel. The landowner is responsible for notifying the
3 department of any changes in parcel ownership.

4 (3) Beginning January 1, 1991, under the administration and at the
5 discretion of the department up to two hundred thousand dollars per
6 year of this assessment shall be used in support of those rural fire
7 districts assisting the department in fire protection services on
8 forest lands.

9 (4) For the purpose of this chapter, the department may divide the
10 forest lands of the state, or any part thereof, into districts, for
11 fire protection and assessment purposes, may classify lands according
12 to the character of timber prevailing, and the fire hazard existing,
13 and place unprotected lands under the administration of the proper
14 district. Amounts paid or contracted to be paid by the department for
15 protection of forest lands from funds at its disposal shall be a lien
16 upon the property protected, unless reimbursed by the owner within ten
17 days after October 1st of the year in which they were incurred. The
18 department shall be prepared to make statement thereof, upon request,
19 to a forest owner whose own protection has not been previously approved
20 as to its adequacy, the department shall report the same to the
21 assessor of the county in which the property is situated. The assessor
22 shall extend the amounts upon the tax rolls covering the property, and
23 upon authorization from the department shall levy the forest protection
24 assessment against the amounts of unimproved land as shown in each
25 ownership on the county assessor's records. The assessor may then
26 segregate on the records to provide that the improved land and
27 improvements thereon carry the millage levy designed to support the
28 rural fire protection districts as provided for in RCW 52.16.170.

29 (5) The amounts assessed shall be collected at the time, in the
30 same manner, by the same procedure, and with the same penalties
31 attached that general state and county taxes on the same property are
32 collected, except that errors in assessments may be corrected at any
33 time by the department certifying them to the treasurer of the county
34 in which the land involved is situated. Assessments shall be known and
35 designated as assessments of the year in which the amounts became
36 reimbursable. Upon the collection of assessments the county treasurer
37 shall place fifty cents of the total assessments paid on a parcel for
38 fire protection into the county current expense fund to defray the

1 costs of listing, billing, and collecting these assessments. The
2 treasurer shall then transmit the balance to the department.
3 Collections shall be applied against expenses incurred in carrying out
4 the provisions of this section, including necessary and reasonable
5 administrative costs incurred by the department in the enforcement of
6 these provisions. The department may also expend sums collected from
7 owners of forest lands or received from any other source for necessary
8 administrative costs in connection with the enforcement of RCW
9 76.04.660.

10 (6) When land against which forest protection assessments are
11 outstanding is acquired for delinquent taxes and sold at public
12 auction, the state shall have a prior lien on the proceeds of sale over
13 and above the amount necessary to satisfy the county's delinquent tax
14 judgment. The county treasurer, in case the proceeds of sale exceed
15 the amount of the delinquent tax judgment, shall immediately remit to
16 the department the amount of the outstanding forest protection
17 assessments.

18 (7) All nonfederal public bodies owning or administering forest
19 land included in a forest protection zone shall pay the forest
20 protection assessments provided in this section and the special forest
21 fire suppression account assessments under RCW 76.04.630. The forest
22 protection assessments and special forest fire suppression account
23 assessments shall be payable by nonfederal public bodies from available
24 funds within thirty days following receipt of the written notice from
25 the department which is given after October 1st of the year in which
26 the protection was provided. Unpaid assessments are not a lien against
27 the nonfederal publicly owned land but shall constitute a debt by the
28 nonfederal public body to the department and are subject to interest
29 charges at the legal rate. During the 2011-2013 fiscal biennium, the
30 forest fire protection assessment account may be appropriated to The
31 Evergreen State College for analysis and recommendations to improve the
32 efficiency and effectiveness of the state's mechanisms for funding fire
33 prevention and suppression activities.

34 (8) A public body, having failed to previously pay the forest
35 protection assessments required of it by this section, which fails to
36 suppress a fire on or originating from forest lands owned or
37 administered by it, is liable for the costs of suppression incurred by

1 the department or its agent and is not entitled to reimbursement of
2 costs incurred by the public body in the suppression activities.

3 (9) The department may adopt rules to implement this section,
4 including, but not limited to, rules on levying and collecting forest
5 protection assessments.

6 **Sec. 923.** RCW 77.12.201 and 2009 c 479 s 63 are each amended to
7 read as follows:

8 The legislative authority of a county may elect, by giving written
9 notice to the director and the treasurer prior to January 1st of any
10 year, to obtain for the following year an amount in lieu of real
11 property taxes on game lands as provided in RCW 77.12.203. Upon the
12 election, the county shall keep a record of all fines, forfeitures,
13 reimbursements, and costs assessed and collected, in whole or in part,
14 under this title for violations of law or rules adopted pursuant to
15 this title, with the exception of the 2011-2013 fiscal biennium, and
16 shall monthly remit an amount equal to the amount collected to the
17 state treasurer for deposit in the state general fund. The election
18 shall continue until the department is notified differently prior to
19 January 1st of any year.

20 **Sec. 924.** RCW 77.12.203 and 2005 c 303 s 14 are each amended to
21 read as follows:

22 (1) Except as provided in subsection (5) of this section and
23 notwithstanding RCW 84.36.010 or other statutes to the contrary, the
24 director shall pay by April 30th of each year on game lands in each
25 county, if requested by an election under RCW 77.12.201, an amount in
26 lieu of real property taxes equal to that amount paid on similar
27 parcels of open space land taxable under chapter 84.34 RCW or the
28 greater of seventy cents per acre per year or the amount paid in 1984
29 plus an additional amount for control of noxious weeds equal to that
30 which would be paid if such lands were privately owned. This amount
31 shall not be assessed or paid on department buildings, structures,
32 facilities, game farms, fish hatcheries, tidelands, or public fishing
33 areas of less than one hundred acres.

34 (2) "Game lands," as used in this section and RCW 77.12.201, means
35 those tracts one hundred acres or larger owned in fee by the department
36 and used for wildlife habitat and public recreational purposes. All

1 lands purchased for wildlife habitat, public access or recreation
2 purposes with federal funds in the Snake River drainage basin shall be
3 considered game lands regardless of acreage.

4 (3) This section shall not apply to lands transferred after April
5 23, 1990, to the department from other state agencies.

6 (4) The county shall distribute the amount received under this
7 section in lieu of real property taxes to all property taxing districts
8 except the state in appropriate tax code areas the same way it would
9 distribute local property taxes from private property. The county
10 shall distribute the amount received under this section for weed
11 control to the appropriate weed district.

12 (5) For the 2011-2013 fiscal biennium, the director shall pay by
13 April 30th of each year on game lands in each county, if requested by
14 an election under RCW 77.12.201, an amount in lieu of real property
15 taxes and shall be distributed as follows:

16 **County**

17

18	<u>Adams.....</u>	<u>1,909</u>
19	<u>Asotin.....</u>	<u>36,123</u>
20	<u>Chelan.....</u>	<u>24,757</u>
21	<u>Columbia.....</u>	<u>7,795</u>
22	<u>Ferry.....</u>	<u>6,781</u>
23	<u>Garfield.....</u>	<u>4,840</u>
24	<u>Grant.....</u>	<u>37,443</u>
25	<u>Grays Harbor.....</u>	<u>7,264</u>
26	<u>Kittitas.....</u>	<u>143,974</u>
27	<u>Klickitat.....</u>	<u>21,906</u>
28	<u>Lincoln.....</u>	<u>13,535</u>
29	<u>Okanogan.....</u>	<u>151,402</u>
30	<u>Pend Oreille.....</u>	<u>3,309</u>
31	<u>Yakima.....</u>	<u>126,225</u>

32 These amounts shall not be assessed or paid on department buildings,
33 structures, facilities, game farms, fish hatcheries, tidelands, or
34 public fishing areas of less than one hundred acres.

1 **Sec. 925.** RCW 79.22.010 and 2003 c 334 s 205 are each amended to
2 read as follows:

3 (1) The department has the power to accept gifts and bequests of
4 money or other property, made in its own name, or made in the name of
5 the state, to promote generally the interests of reforestation or for
6 a specific named purpose in connection with reforestation, and to
7 acquire in the name of the state, by purchase or gift, any lands which
8 by reason of their location, topography, or geological formation, are
9 chiefly valuable for purpose of developing and growing timber, and to
10 designate such lands and any lands of the same character belonging to
11 the state as state forest lands; and may acquire by gift or purchase
12 any lands of the same character.

13 (2) The department has the power to seed, plant, and develop
14 forests on any lands, purchased, acquired, or designated by it as state
15 forest lands, and shall furnish such care and fire protection for such
16 lands as it shall deem advisable.

17 (3) Upon approval of the board of county commissioners of the
18 county in which the land is located such gift or donation of land may
19 be accepted subject to delinquent general taxes thereon, and upon such
20 acceptance of such gift or donation subject to such taxes, the
21 department shall record the deed of conveyance thereof and file with
22 the assessor and treasurer of the county wherein such land is situated,
23 written notice of acquisition of such land, and that all delinquent
24 general taxes thereon, except state taxes, shall be canceled, and the
25 county treasurer shall thereupon proceed to make such cancellation in
26 the records of the county treasurer. (~~Thereafter, such lands~~)

27 (4)(a) Lands acquired under this section shall be held in trust,
28 protected, managed, and administered upon, and the proceeds therefrom
29 disposed of, under RCW 79.22.040.

30 (b) During the 2011-2013 fiscal biennium, the legislature may
31 appropriate moneys derived subject to this section from the forest
32 development account consistent with RCW 79.64.100.

33 **Sec. 926.** RCW 79.22.040 and 2003 c 334 s 206 are each amended to
34 read as follows:

35 (1) If any land acquired by a county through foreclosure of tax
36 liens, or otherwise, comes within the classification of land described
37 in RCW 79.22.010 and can be used as state forest land and if the

1 department deems such land necessary for the purposes of this chapter,
2 the county shall, upon demand by the department, deed such land to the
3 department and the land shall become a part of the state forest lands.

4 (2) Such land shall be held in trust and administered and protected
5 by the department in the same manner as other state forest lands.

6 (3)(a) In the event that the department sells logs using the
7 contract harvesting process described in RCW 79.15.500 through
8 79.15.530, the moneys derived subject to this section are the net
9 proceeds from the contract harvesting sale.

10 (b) During the 2011-2013 fiscal biennium, the legislature may
11 appropriate moneys derived subject to this section from the forest
12 development account consistent with RCW 79.64.100.

13 **Sec. 927.** RCW 79.64.040 and 2011 1st sp.s. c 50 s 966 and 2011 c
14 216 s 16 are each reenacted and amended to read as follows:

15 (1) The board shall determine the amount deemed necessary in order
16 to achieve the purposes of this chapter and shall provide by rule for
17 the deduction of this amount from the moneys received from all leases,
18 sales, contracts, licenses, permits, easements, and rights-of-way
19 issued by the department and affecting state lands, community forest
20 trust lands, and aquatic lands, provided that no deduction shall be
21 made from the proceeds from agricultural college lands.

22 (2) Moneys received as deposits from successful bidders, advance
23 payments, and security under RCW 79.15.100, 79.15.080, and 79.11.150
24 prior to December 1, 1981, which have not been subjected to deduction
25 under this section are not subject to deduction under this section.

26 (3) Except as otherwise provided in subsections (4) and (6) of this
27 section, the deductions authorized under this section shall not exceed
28 twenty-five percent of the moneys received by the department in
29 connection with any one transaction pertaining to state lands and
30 aquatic lands other than second-class tide and shore lands and the beds
31 of navigable waters, and fifty percent of the moneys received by the
32 department pertaining to second-class tide and shore lands and the beds
33 of navigable waters.

34 (4) Deductions authorized under this section for transactions
35 pertaining to community forest trust lands must be established at a
36 level sufficient to defray over time the management costs for
37 activities prescribed in a parcel's management plan adopted pursuant to

1 RCW 79.155.080, and, if deemed appropriate by the board consistent with
2 RCW 79.155.090, to reimburse the state and any local entities' eligible
3 financial contributions for acquisition of the parcel.

4 (5) In the event that the department sells logs using the contract
5 harvesting process described in RCW 79.15.500 through 79.15.530, the
6 moneys received subject to this section are the net proceeds from the
7 contract harvesting sale.

8 (6) During the (~~2009-2011~~) 2011-2013 fiscal biennium (~~and fiscal~~
9 ~~year-2012~~), the twenty-five percent limitation on deductions set in
10 subsection (3) of this section may be increased up to thirty percent by
11 the board.

12 **Sec. 928.** RCW 79.64.100 and 2003 c 334 s 219 are each amended to
13 read as follows:

14 There is created a forest development account in the state
15 treasury. The state treasurer shall keep an account of all sums
16 deposited therein and expended or withdrawn therefrom. Any sums placed
17 in the forest development account shall be pledged for the purpose of
18 paying interest and principal on the bonds issued by the department
19 under RCW 79.22.080 and 79.22.090 and the provisions of this chapter,
20 and for the purchase of land for growing timber. Any bonds issued
21 shall constitute a first and prior claim and lien against the account
22 for the payment of principal and interest. No sums for the above
23 purposes shall be withdrawn or paid out of the account except upon
24 approval of the department.

25 Appropriations may be made by the legislature from the forest
26 development account to the department for the purpose of carrying on
27 the activities of the department on state forest lands, lands managed
28 on a sustained yield basis as provided for in RCW 79.10.320, and for
29 reimbursement of expenditures that have been made or may be made from
30 the resource management cost account in the management of state forest
31 lands. For the 2011-2013 fiscal biennium, moneys from the forest
32 development account shall be distributed as directed in section 706 of
33 this act to the beneficiaries of the revenues derived from state forest
34 lands. During the 2011-2013 fiscal biennium, the legislature may
35 appropriate moneys in the forest development account to support
36 emergency fire suppression activities in a manner that, at a maximum,

1 represents the proportion of land that the department manages in
2 comparison to the total land the department conducts emergency fire
3 suppression activities on.

4 **Sec. 929.** RCW 79.105.150 and 2011 2nd sp.s. c 9 s 911 are each
5 amended to read as follows:

6 (1) After deduction for management costs as provided in RCW
7 79.64.040 and payments to towns under RCW 79.115.150(2), all moneys
8 received by the state from the sale or lease of state-owned aquatic
9 lands and from the sale of valuable material from state-owned aquatic
10 lands shall be deposited in the aquatic lands enhancement account which
11 is hereby created in the state treasury. After appropriation, these
12 funds shall be used solely for aquatic lands enhancement projects; for
13 the purchase, improvement, or protection of aquatic lands for public
14 purposes; for providing and improving access to the lands; and for
15 volunteer cooperative fish and game projects. During the ~~((2009-2011~~
16 ~~and))~~ 2011-2013 fiscal ~~((biennia))~~ biennium, the aquatic lands
17 enhancement account may also be used for scientific research as part of
18 the adaptive management process and for developing a planning report
19 for McNeil Island. During the ~~((2009-2011-and))~~ 2011-2013 fiscal
20 ~~((biennia))~~ biennium, the legislature may transfer from the aquatic
21 lands enhancement account to the state general fund such amounts as
22 reflect excess fund balance of the account. During the 2011-2013
23 fiscal biennium, the aquatic lands enhancement account may be used to
24 support the shellfish program, the ballast water program, parks,
25 hatcheries, and the Puget Sound toxic sampling program at the
26 department of fish and wildlife, and the knotweed program at the
27 department of agriculture. During the 2011-2013 fiscal biennium, the
28 legislature may transfer from the aquatic lands enhancement account to
29 the marine resources stewardship trust account funds for the purposes
30 of RCW 43.372.070.

31 (2) In providing grants for aquatic lands enhancement projects, the
32 recreation and conservation funding board shall:

33 (a) Require grant recipients to incorporate the environmental
34 benefits of the project into their grant applications;

35 (b) Utilize the statement of environmental benefits, consideration,
36 except as provided in RCW 79.105.610, of whether the applicant is a
37 Puget Sound partner, as defined in RCW 90.71.010, whether a project is

1 referenced in the action agenda developed by the Puget Sound
2 partnership under RCW 90.71.310, and except as otherwise provided in
3 RCW 79.105.630, and effective one calendar year following the
4 development and statewide availability of model evergreen community
5 management plans and ordinances under RCW 35.105.050, whether the
6 applicant is an entity that has been recognized, and what gradation of
7 recognition was received, in the evergreen community recognition
8 program created in RCW 35.105.030 in its prioritization and selection
9 process; and

10 (c) Develop appropriate outcome-focused performance measures to be
11 used both for management and performance assessment of the grants.

12 (3) To the extent possible, the department should coordinate its
13 performance measure system with other natural resource-related agencies
14 as defined in RCW 43.41.270.

15 (4) The department shall consult with affected interest groups in
16 implementing this section.

17 (5) After January 1, 2010, any project designed to address the
18 restoration of Puget Sound may be funded under this chapter only if the
19 project is not in conflict with the action agenda developed by the
20 Puget Sound partnership under RCW 90.71.310.

21 **Sec. 930.** RCW 79.105.240 and 2005 c 155 s 147 are each amended to
22 read as follows:

23 Except as otherwise provided by this chapter, annual rent rates for
24 the lease of state-owned aquatic lands for water-dependent uses shall
25 be determined as follows:

26 (1)(a) The assessed land value, exclusive of improvements, as
27 determined by the county assessor, of the upland tax parcel used in
28 conjunction with the leased area or, if there are no such uplands, of
29 the nearest upland tax parcel used for water-dependent purposes divided
30 by the parcel area equals the upland value.

31 (b) The upland value times the area of leased aquatic lands times
32 thirty percent equals the aquatic land value.

33 (2) As of July 1, 1989, and each July 1st thereafter, the
34 department shall determine the real capitalization rate to be applied
35 to water-dependent aquatic land leases commencing or being adjusted
36 under subsection (3)(a) of this section in that fiscal year. The real
37 capitalization rate shall be the real rate of return, except that until

1 June 30, 1989, the real capitalization rate shall be five percent and
2 thereafter it shall not change by more than one percentage point in any
3 one year or be more than seven percent or less than three percent.

4 (3) The annual rent shall be:

5 (a) Determined initially, and redetermined every four years or as
6 otherwise provided in the lease, by multiplying the aquatic land value
7 times the real capitalization rate; and

8 (b) Adjusted by the inflation rate each year in which the rent is
9 not determined under (a) of this subsection.

10 (4) If the upland parcel used in conjunction with the leased area
11 is not assessed or has an assessed value inconsistent with the purposes
12 of the lease, the nearest comparable upland parcel used for similar
13 purposes shall be substituted and the lease payment determined in the
14 same manner as provided in this section.

15 (5) For the purposes of this section, "upland tax parcel" is a tax
16 parcel, some portion of which has upland characteristics. Filled
17 tidelands or shorelands with upland characteristics which abut state-
18 owned aquatic land shall be considered as uplands in determining
19 aquatic land values.

20 (6) The annual rent for filled state-owned aquatic lands that have
21 the characteristics of uplands shall be determined in accordance with
22 RCW 79.105.270 in those cases in which the state owns the fill and has
23 a right to charge for the fill.

24 (7) For all new leases for other water-dependent uses, issued after
25 December 31, 1997, the initial annual water-dependent rent shall be
26 determined by the methods in subsections (1) through (6) of this
27 section.

28 (8) During the 2011-2013 fiscal biennium, the department may
29 calculate annual rent for qualifying marinas as provided in section
30 308(12) of this act.

31 **Sec. 931.** RCW 79A.25.200 and 2007 c 241 s 53 are each amended to
32 read as follows:

33 The recreation resource account is created in the state treasury.
34 Moneys in this account are subject to legislative appropriation. The
35 board shall administer the account in accordance with this chapter and
36 chapter 79A.35 RCW and shall hold it separate and apart from all other
37 money, funds, and accounts of the board. Moneys received from the

1 marine fuel tax refund account under RCW 79A.25.070 shall be deposited
2 into the account. Grants, gifts, or other financial assistance,
3 proceeds received from public bodies as administrative cost
4 contributions, and moneys made available to the state of Washington by
5 the federal government for outdoor recreation may be deposited into the
6 account. During the 2011-2013 fiscal biennia, the recreation resource
7 account may be used by the department of fish and wildlife for the
8 purposes of activities related to aquatic and marine enforcement.

9 **Sec. 932.** RCW 86.26.007 and 2011 1st sp.s. c 50 s 976 are each
10 amended to read as follows:

11 The flood control assistance account is hereby established in the
12 state treasury. At the beginning of the 2005-2007 fiscal biennium, the
13 state treasurer shall transfer three million dollars from the general
14 fund to the flood control assistance account. Each biennium thereafter
15 the state treasurer shall transfer four million dollars from the
16 general fund to the flood control assistance account, except that
17 during the ((2009-2011 and)) 2011-2013 fiscal ((biennia)) biennium, the
18 state treasurer shall transfer ((two)) one million dollars from the
19 general fund to the flood control assistance account. Moneys in the
20 flood control assistance account may be spent only after appropriation
21 for purposes specified under this chapter.

22 **Sec. 933.** RCW 90.48.390 and 2008 c 329 s 925 are each amended to
23 read as follows:

24 The coastal protection fund is established to be used by the
25 department as a revolving fund for carrying out the purposes of
26 restoration of natural resources under this chapter and chapter 90.56
27 RCW. To this fund there shall be credited penalties, fees, damages,
28 charges received pursuant to the provisions of this chapter and chapter
29 90.56 RCW, compensation for damages received under this chapter and
30 chapter 90.56 RCW, and an amount equivalent to one cent per gallon from
31 each marine use refund claim under RCW 82.36.330.

32 Moneys in the fund not needed currently to meet the obligations of
33 the department in the exercise of its powers, duties, and functions
34 under RCW 90.48.142, 90.48.366, 90.48.367, and 90.48.368 shall be
35 deposited with the state treasurer to the credit of the fund. During
36 the 2007-2009 fiscal biennium, the coastal protection fund may also be

1 used for a standby rescue tug at Neah Bay. During the 2011-2013 fiscal
2 biennium, the legislature may transfer from the coastal protection fund
3 to the state general fund such amounts as reflect excess fund balance
4 derived from penalties, forfeits, and seizures.

5 **Sec. 934.** 2010 c 23 s 205 (uncodified) is amended to read as
6 follows:

7 (1) The legislature finds that this state's tax policy with respect
8 to the taxation of transactions between affiliated entities and the
9 income derived from such transactions (intercompany transactions) has
10 motivated some taxpayers to engage in transactions designed solely or
11 primarily to minimize the tax effects of intercompany transactions.
12 The legislature further finds that some intercompany transactions
13 result from taxpayers that are required to establish affiliated
14 entities to comply with regulatory mandates and that transactions
15 between such affiliates effectively increases the tax burden in this
16 state on the affiliated group of entities.

17 (2) Therefore, as existing resources allow, the department of
18 revenue is directed to conduct a review of the state's tax policy with
19 respect to the taxation of intercompany transactions. The review must
20 include the impacts of such transactions under the state's business and
21 occupation tax and state and local sales and use taxes. The department
22 may include other taxes in the review as it deems appropriate.

23 (3) In conducting the review, the department must examine how this
24 state's tax policy compares to the tax policy of other states with
25 respect to the taxation of intercompany transactions. The department's
26 review must include an analysis of potential alternatives to the
27 current policy of taxing intercompany transactions, including their
28 estimated revenue impacts if practicable.

29 (4) In conducting this review, the department may seek input from
30 members of the business community and others as it deems appropriate.

31 (5) The department must report its findings to the fiscal
32 committees of the house of representatives and senate by December 1,
33 2010. However, if the department has not completed its review by
34 December 1, 2010, the department must provide the fiscal committees of
35 the legislature with a brief status report by December 1, 2010, and the
36 final report by December 1, (~~2011~~) 2012.

1 NEW SECTION. **Sec. 935.** A new section is added to 2011 1st sp.s.
2 c 50 (uncodified) to read as follows:

3 It is the intent of the legislature that regulatory agencies
4 receiving appropriations in this act work with the office of regulatory
5 assistance to:

6 (1) Establish a small business liaison team to assist small
7 businesses with permitting and regulatory issues.

8 (2) Take action to assure that additional violations or corrective
9 actions that could have been discovered and noted in the original
10 violation or correction notice are not subsequently added and to
11 provide a single list of any violations discovered during the
12 regulatory visit or inspection;

13 (3) Provide notice about when the business may expect the results
14 of a technical assistance or regulatory visit;

15 (4) Provide information about how the business may provide
16 anonymous feedback regarding a technical assistance or other regulatory
17 visit; and

18 (5) Provide information regarding the role of the agency's small
19 business liaison as a neutral party within the agency, as well as
20 contact information for the liaison.

21 NEW SECTION. **Sec. 936.** A new section is added to 2011 1st sp.s.
22 c 50 (uncodified) to read as follows:

23 Chapter 50, Laws of 2011 1st sp. sess. (the biennial operating
24 budget) included funding for the pension system cost of legislation
25 adopted during the 2011 session of the legislature. No supplemental
26 rates are authorized for funding that legislation during the remainder
27 of the 2011-2013 fiscal biennium. Pension contribution rates for the
28 public employees' retirement system, the public safety employees'
29 retirement system, the school employees' retirement systems, and the
30 teachers' retirement system are established.

31 (1) For the public employees' retirement system:

32 (a) Beginning April 1, 2012, an employer contribution rate of 7.08
33 percent shall be charged;

34 (b) Beginning July 1, 2012, an employer contribution rate of 7.21
35 percent shall be charged.

36 (2) For the public safety employees' retirement system:

1 (a) Beginning April 1, 2012, an employer contribution rate of 8.74
2 percent shall be charged;

3 (b) Beginning July 1, 2012, an employer contribution rate of 8.87
4 percent shall be charged.

5 (3) For the school employees' retirement system:

6 (a) Beginning April 1, 2012, an employer contribution rate of 7.58
7 percent shall be charged;

8 (b) Beginning September 1, 2012, an employer contribution rate of
9 7.59 percent shall be charged.

10 (4) For the teachers' retirement system:

11 (a) Beginning April 1, 2012, an employer contribution rate of 8.04
12 percent shall be charged; and

13 (b) Beginning September 1, 2012, an employer contribution rate of
14 8.05 percent shall be charged.

15 These rates are inclusive of a department of retirement systems
16 expense charge of 0.16 percent. The department of retirement systems
17 shall collect employee contributions as provided in chapter 41.45 RCW.

18 NEW SECTION. **Sec. 937.** If any provision of this act or its
19 application to any person or circumstance is held invalid, the
20 remainder of the act or the application of the provision to other
21 persons or circumstances is not affected.

22 NEW SECTION. **Sec. 938.** This act is necessary for the immediate
23 preservation of the public peace, health, or safety, or support of the
24 state government and its existing public institutions, and takes effect
25 immediately.

(End of Bill)

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